OVERVIEW

We are a clinical stage biopharmaceutical company committed to discovering, developing and commercializing potential best-in-class and/or first-in-class drugs for the treatment of cancer and autoimmune diseases. Led by a well-known management team of seasoned industry executives, we have built a biopharmaceutical platform with strong in-house R&D capabilities. Our vision is to become a global biopharmaceutical leader that develops and delivers innovative therapies for patients worldwide.

Leveraging our management team's global vision and local expertise, we have built a balanced drug portfolio. Our drug candidates are targeting both evidence-based and novel biological pathways. Our discovery and development efforts are focused on drug candidates with evidence-based targets that have the potential to be best-in-class from a safety and efficacy perspective. We also devote significant efforts in identifying novel targets and developing therapies with global breakthrough potential. In less than four years, our team has discovered and developed a pipeline of nine drug candidates, including one candidate with an NDA for r/r CLL/SLL submitted and accepted for review by and an NDA for MCL submitted to the NMPA, two candidates under clinical evaluation in Phase I/II trials and six candidates at the IND-enabling stage. Our strategy is to rapidly advance our clinical programs and seek approval to commercialize our product candidates in China. At the same time, we are expanding clinical trials globally including the United States for promising indications to maximize the commercial value of our assets.

We strategically focus on therapies for the treatment of cancer and autoimmune diseases – two large therapeutic areas with significant market opportunity and synergies. The global oncology drug market reached US$128.1 billion in 2018, and the global market size of autoimmune drugs reached US$113.7 billion in 2018, according to Frost & Sullivan. Our pipeline features three highly-differentiated and/or novel clinical stage oncology candidates covering major cancer indications, including orelabrutinib (Bruton Tyrosine Kinase (BTK) inhibitor), ICP-192 (pan-fibroblast growth factor receptor (pan-FGFR) inhibitor) and ICP-105 (fibroblast growth factor receptor 4 (FGFR4) inhibitor). We are currently studying these drug candidates as monotherapies and exploring their potential in combination with standard of care or other therapeutics. We are also developing multiple drug candidates for the treatment of autoimmune diseases caused by B-cell or T-cell dysfunctions, including orelabrutinib and ICP-330 (Tyrosine Kinase 2 (TYK2) inhibitor).

Our clinical stage candidates include the following:

- **Orelabrutinib (ICP-022)**: a potential best-in-class, highly selective and irreversible BTK inhibitor currently being evaluated in a broad clinical program in China and the U.S. for the treatment of various B-cell malignancies and autoimmune diseases. We are assessing orelabrutinib in registrational trials for two lead indications, relapsed and refractory (r/r) chronic lymphocytic leukemia or small lymphocytic lymphoma (CLL/SLL) and r/r mantle cell lymphoma (MCL). The NDA for r/r CLL/SLL was submitted and accepted for review by the NMPA in November 2019 and the NDA for r/r MCL has been submitted to the NMPA in January 2020.

We are also evaluating orelabrutinib in three Phase II studies for patients with r/r marginal zone lymphoma (MZL), r/r central nervous system lymphoma (CNSL) and r/r Waldenstrom's Macroglobulinemia (WM) in China, and have initiated a Phase I study of orelabrutinib in combination with MIL62, a next-generation CD20 antibody for follicular lymphoma (FL) patients in China.

We are currently communicating with the relevant authority to finalize study protocols for orelabrutinib as a first-line therapy for CLL/SLL patients in a Phase III study in China. We also plan to initiate a Phase II study to investigate orelabrutinab in patients with r/r non-GCB diffuse large B-cell lymphoma (DLBCL) sub-population with double mutations as a monotherapy in China.

Separately, we have initiated a Phase I basket trial for B-cell malignancies in the U.S.

We also plan to evaluate orelabrutinib as a potential therapy for the treatment of autoimmune diseases. We are currently obtaining approval from the relevant authority to start patient enrollment for a Phase Ib/IIa trial of orelabrutinib in combination with standard of care treatment for systemic lupus erythematosus (SLE) in China.

- **ICP-192**: a potential best-in-class, potent and selective pan-FGFR inhibitor that we are developing for the treatment of various types of solid tumors. ICP-192 is one of the most advanced clinical stage pan-FGFR inhibitors being developed in China. We are currently conducting a Phase I/IIa study of ICP-192 to define its MTD and/or OBD and PK/PD in patients with solid tumors. The plasma exposure of ICP-192 at 8 mg QD has exceeded the therapeutic exposure of ICP-192 in pre-clinical efficacy studies in xenograft models. Hyperphosphatemia, a PD marker for FGFR inhibition, was consistently observed in treated patients at dose 8 mg QD. After MTD and/or OBD is identified, we will expand our clinical efforts with the selected regimen in relevant cancer patients to further evaluate the safety and efficacy of ICP-192 to define registration path. We will initially focus the expansion studies on cholangiocarcinoma with FGFR2 fusions and urothelial cancer with FGFR2/3 genetic alterations. We plan to collect further data to assess whether ICP-192 will be a potential treatment option for patients with FGFR mutation in combination with therapeutic agents such as immune checkpoint inhibitors. We also plan to conduct expansion trials for promising indications in the U.S. We expect to initiate the Phase II trials by the second quarter of 2020.

- **ICP-105**: a potential first-in-class, potent and highly selective FGFR4 inhibitor. We are developing ICP-105 primarily for the treatment of advanced hepatocellular carcinoma (HCC) with FGFR4 pathway overactivation. Currently, ICP-105 is under clinical evaluation in a Phase I dose escalation trial to identify the MTD and/or OBD in China. We plan to initiate an open-label Phase IIa study to evaluate the safety and efficacy of ICP-105 in HCC patients with FGFR4 pathway overactivation. We also

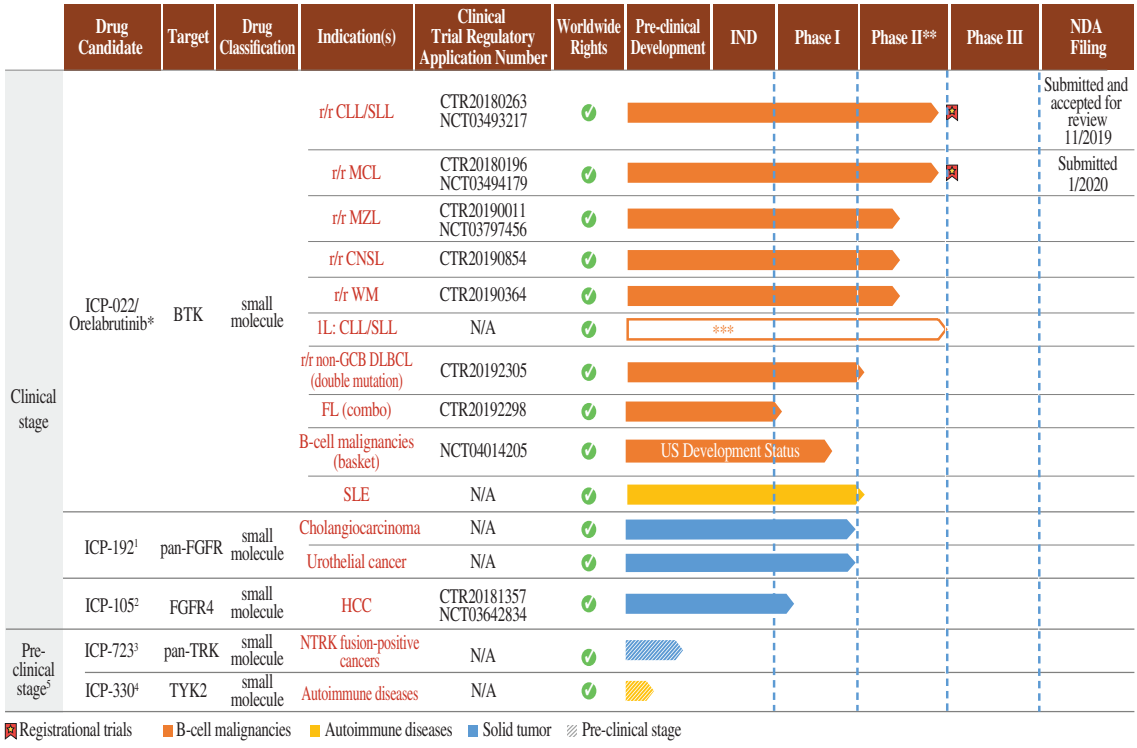
plan to explore the use of ICP-105 in combination with immune checkpoint inhibitors for the treatment of advanced HCC with FGFR4 pathway overactivation. We expect to complete the Phase I trial in the first or second quarter of 2020.

In addition to our three clinical stage candidates, our pipeline also includes six internally developed drug candidates, which are at IND-enabling stage, including ICP-723 and ICP-330:

- **ICP-723**: a second-generation small-molecule pan-tropomyosin receptor kinase (pan-TRK) inhibitor designed to treat patients with neurotrophic tyrosine receptor kinase (NTRK) fusion-positive cancers, as well as those refractory to the first-generation tyrosine kinases (TRK) inhibitors due to resistant TRK mutations, regardless of tumor types. We plan to submit the IND application for ICP-723 to the NMPA in the first quarter of 2020. Upon IND approval, we will initiate clinical trials in multiple cancer types carrying NTRK fusion in China.

- **ICP-330**: a small-molecule inhibitor of TYK2, a non-receptor tyrosine kinase that mediates immune signaling. We plan to develop ICP-330 for the treatment of various T-cell mediated autoimmune disorders, such as psoriasis, inflammatory bowel disease (IBD) and SLE. We plan to submit the IND application for ICP-330 to the NMPA in the second half of 2020.

The following chart summarizes our pipeline and the development status of each clinical stage candidate and selected IND-enabling stage candidates as at the Latest Practicable Date:



† All development status refers to status in China except when otherwise indicated.

Abbreviations: CLL = Chronic Lymphocytic Leukemia; SLL = Small Lymphocytic Lymphoma; MCL = Mantle Cell Lymphoma; MZL = Marginal Zone Lymphoma; CNSL = Central Nervous System Lymphoma; GCB = Germinal Center B-cell; DLBCL = Diffuse Large B-Cell Lymphoma; WM = Waldenstrom's Macroglobulinemia; FL = Follicular Lymphoma; SLE = Systemic Lupus Erythematosus; HCC = Hepatocellular Carcinoma.

* Denotes our Core Product Candidate, orelabrutinib (ICP-022).

** For indications of r/r CLL/SLL and r/r MCL, the registrational trial for NDA submission is the Phase II clinical trial based on our communications with the NMPA. Confirmatory Phase III clinical trials will be required after we receive conditional approvals from the NMPA based on the results of these two registrational Phase I and Phase II clinical trials. Please refer to the section headed "Regulatory Environment" for further details. Please also see the section headed "Risk Factors – Risks Relating to Extensive Government Regulation" for details on relevant risks.

*** Upon IND approval, we may initiate a registrational trial in China.

1 We expect to initiate the Phase II trials for cholangiocarcinoma and urothelial cancer by the second quarter of 2020.

2 We expect to complete the Phase I trial for HCC in the first or second quarter of 2020.

3 We expect to submit an IND application for NTRK fusion-positive cancers to the NMPA in the first quarter of 2020.

4 We expect to submit an IND application for autoimmune diseases to the NMPA in the second half of 2020.

5 We also have four undisclosed IND-enabling stage candidates currently under development.

We have assembled a well-known management team comprised of seasoned industry executives that collectively cover every step of the drug discovery and development cycle. Our management team brings extensive R&D experience from multinational pharmaceutical companies to InnoCare. Our core team is a united force after working together for over eight years beginning at BioDuro, serving as a key to our future success.

We have built a platform that covers a wide spectrum of drug discovery and development functionalities, including drug target identification and verification, pre-clinical evaluation, clinical trial design and sales and marketing. Our insights on druggability, clinical trials, manufacturing and commercialization feed into early discovery and research to cultivate promising targets with clinical benefit and commercial potential. We also believe our capability of carrying out most of the drug development process in-house improves our efficiency.

We are currently building a 50,000 m^2 manufacturing facility in Guangzhou for commercial scale production with an annual production capacity of one billion pills, which is expected to be completed and ready for use in the fourth quarter of 2020. The facility is designed to comply with good-manufacturing practice (GMP) requirements of the U.S., Europe, Japan and China. To support our near-term product launches, we have assembled our sales and marketing leadership team and are ramping up our commercialization team, which is expected to have 80 to 90 sales representatives by the end of 2020.

OUR STRENGTHS

In-house R&D capability focusing on developing potential best-in-class and/or first-in-class therapeutics globally

We have built a world-class in-house R&D platform that spans the drug discovery and development process. Our team has discovered and developed our current pipeline of nine highly-differentiated and/or novel drug candidates, including one candidate in registrational trials, two candidates in Phase I/II trials and six candidates at the IND-enabling stage.

Our first-tier R&D team has over 150 members led by Dr. Jisong Cui, our co-founder and CEO who brings more than 20 years of industry leadership experience. We have also established state-of-the-art research facilities with an approximately 8,300 m^2 laboratory in Beijing and a 3,350 m^2 laboratory in Nanjing to support our chemistry, biology, *in vivo* pharmacology, DMPK, and CMC studies. Our pre-clinical research covers molecule design and optimization, biochemical and cellular drug activity profiling, drug metabolism and pharmacokinetic analysis, and *in vivo* assessment of drug efficacy and toxicity. In particular, we focus our early discovery efforts on target identification and verification while also covering oncological mechanism research and compound optimization. Our discovery capability is supplemented by support from globally renowned biophysicist Dr. Yigong Shi, our co-founder and President of our Scientific Advisory Board, and cancer genomics expert Dr. Zemin Zhang, our Scientific Advisor. We have entered into exclusive strategic collaboration agreements with Dr. Shi and Dr. Zhang and their laboratories to further strengthen our internal target identification capability by leveraging their expertise in structural biology, single cell sequencing and big data analysis. In the last four years, our pre-clinical research has supported five approved IND/CTA applications relating to our three clinical stage drug candidates. At the same time, we have been granted eight issued patents and filed 90 patent applications in China and globally.

Our clinical development capabilities are backed by a team of 50 members in China led by Dr. Zhixin Rick Xu, our Chief Medical Officer, who brings close to 30 years of clinical drug development experience. We proved our clinical development capabilities by advancing three drug candidates into clinical trials in less than four years. During the last two years, we have initiated seven clinical trials, including two registrational trials. We advanced the orelabrutinib r/r CLL/SLL and r/r MCL registrational trials from ethics committee approvals to completion of the enrollment of 80 r/r CLL/SLL patients and 106 r/r MCL patients within one year. The NDA of orelabrutinib for r/r CLL/SLL has been submitted and accepted for review by the NMPA in November 2019 and the NDA for r/r MCL has been submitted to the NMPA in January 2020, both in less than one year from enrollment completion.

Potential best-in-class late-stage BTK inhibitor for the treatment of B-cell malignancies

BTK is an evidence-based target for the treatment of B-cell malignancies with three BTK inhibitors approved globally. Currently approved BTK inhibitors, however, have demonstrated common toxicities. Some of these toxicities are believed to be attributable to the currently approved BTK inhibitors' off-target effects, such as diarrhea, bleeding and atrial fibrillation. These toxicities have caused intolerability and limited their clinical use.

Orelabrutinib has demonstrated higher selectivity against BTK in our pre-clinical studies than the reported pre-clinical data of ibrutinib (Imbruvica) and acalabrutinib (Calquence). In a KINOMEscan against 456 kinases, orelabrutinib at a concentration of 1 μM only significantly inhibited BTK (>90%) but not others. In contrast, according to reported pre-clinical data, at the same concentration, ibrutinib significantly inhibited (>90%) not only BTK but also over a dozen other kinases including EGFR, TEC and BMX, which may be associated with adverse events such as diarrhea, bleeding and atrial fibrillation, respectively. Orelabrutinib's high

selectivity reduces off-target activity and potentially leads to a superior safety profile, as shown by results from our clinical trials to date. While pre-clinical data are generally insufficient to conclude on clinical benefits, this safety profile makes orelabrutinib a promising candidate for both monotherapy and combination therapies. In addition, the better bioavailability of orelabrutinib tablet enables once-daily administration at low dosage level and near 100% 24-hour BTK occupancy. We plan to pursue orelabrutinib both as a monotherapy and as a backbone of various combination therapies for the treatment of B-cell malignancies.

We are running a broad clinical program for orelabrutinib in both China and the U.S. targeting several B-cell malignancies. Based on our clinical data to date, orelabrutinib was well tolerated and showed excellent anti-tumor activity, and a better safety profile than the reported data of the currently marketed BTK inhibitors. We are conducting two registrational trials in China to evaluate the efficacy and safety of orelabrutinib as a monotherapy for r/r CLL/SLL and r/r MCL. Among the 80 r/r CLL/SLL and 99 r/r MCL patients evaluable for response assessment as of the cut-off dates, August 9, 2019 and September 30, 2019, separately, orelabrutinib demonstrated an overall response rate (ORR) of 88.8% and 85.9%, for r/r CLL/SLL and r/r MCL, respectively. The NDA of orelabrutinib for r/r CLL/SLL has been submitted and accepted for review by the NMPA in November 2019 and the NDA for r/r MCL has been submitted to the NMPA in January 2020.

In addition, we are conducting three Phase II trials to evaluate orelabrutinib as a monotherapy in a second-line setting for MZL, CNSL and WM in China, and have initiated a Phase I trial for FL in combination with MIL62, a next generation CD20 antibody. We also plan to investigate orelabrutinib in a Phase II trial in China for r/r non-GCB DLBCL sub-population with double mutations as a monotherapy. In addition, we are currently communicating with the relevant authority to finalize study protocols for orelabrutinib as a first-line therapy for CLL/SLL patients in a Phase III study in China.

For TEAEs observed among the 200 patients assessed in our trials of orelabrutinib for r/r MCL, r/r CLL/SLL, r/r MZL, r/r CNSL and r/r WM at the respective data cut-off date for each trial, all diarrheas were Grade 1 or 2 except for one Grade 3 (0.5%) and no clinically relevant atrial fibrillation or flutter was observed. For details please refer to "– Clinical Stage Candidates – Orelabrutinib – Orelabrutinib for B-cell Malignancies – Competitive Advantages of Orelabrutinib – Improved safety and robust efficacy profile". We believe that these adverse events are off-target related and the favorable safety profile as compared with approved BTK inhibitors correlates with the higher selectivity of orelabrutinib.

We are actively pursuing global studies. In the U.S., we have initiated a Phase I basket trial for orelabrutinib as a monotherapy for B-cell malignancies.

Given its large addressable market and the fact that orelabrutinib is expected to be one of the first few BTK inhibitors to be approved in China with best-in-class potential, we believe there is significant market opportunity for orelabrutinib. According to Frost & Sullivan, global prevalence of non-Hodgkin's lymphoma (NHL) patients was approximately 2.4 million in 2018 and is estimated to reach 3.3 million in 2030. Global sales of BTK inhibitors totaled approximately US$4.5 billion in 2018 and is expected to reach US$23.5 billion in 2030. Sales of BTK inhibitors in China is expected to reach US$2.6 billion in 2030.

Potential best-in-class pan-FGFR and first-in-class FGFR4 inhibitors addressing huge unmet medical needs

Aberrant fibroblast growth factor receptor (FGFR) signaling has been observed in a broad range of solid tumors, including liver, gastric, lung, breast, colorectal, urothelial, cholangiocarcinoma, head and neck, endometrial and ovarian cancers. Studies to date show FGFR is an evidence-based target for cancer therapies and FGFR inhibitors have the potential to be an effective treatment option for all cancers caused by aberrant activation of FGFR signaling pathways. According to Frost & Sullivan, the global incidence of aberrant FGFR induced cancers was approximately 1.2 million in 2018, accounting for approximately 7.1% of the global solid tumor incidence, and is expected to reach 1.6 million in 2030.

Specific FGFR aberrations have been observed more frequently in certain types of cancers (e.g., FGFR1 amplification in breast, squamous cell lung, ovarian and urothelial cancers, FGFR2 fusions in endometrial and gastric cancers and cholangiocarcinoma, FGFR3 mutations in urothelial cancer and FGFR4 pathway overactivation in HCC). There is also evidence that some specific FGFR aberrations may have different sensitivity or resistance to different FGFR inhibitors. As such, we are concurrently developing ICP-192 (pan-FGFR inhibitor) and ICP-105 (FGFR4 inhibitor). We also plan to explore the use of ICP-192 or ICP-105 in combination with other therapeutics for the treatment of solid tumors.

ICP-192 (pan-FGFR inhibitor). ICP-192 is a potent, highly selective, irreversible small-molecule pan-FGFR inhibitor developed for the treatment of various types of solid tumors. Our pre-clinical data suggest that ICP-192 has similar inhibition profile towards FGFR1-4 compared to the reported data of erdafitinib (Balversa), the only approved selective pan-FGFR inhibitor globally. In addition, ICP-192 showed greater target selectivity in a KINOMEscan than the reported data of erdafitinib. We believe ICP-192 is a potential best-in-class pan-FGFR inhibitor based on our pre-clinical and clinical data to date. We are currently conducting a Phase I/IIa study of ICP-192 to define its MTD and/or OBD and PK/PD in patients with solid tumors. Preliminary data from the trial showed that ICP-192 was well tolerated by treated patients and no treatment-related DLT was reported. In addition, the plasma exposure of ICP-192 at 8 mg QD has exceeded the therapeutic exposure of ICP-192 in pre-clinical efficacy studies in xenograft models. Hyperphosphatemia, a PD marker for FGFR inhibition, was consistently observed in treated patients at dose 8 mg QD. After MTD and/or OBD is identified, we will expand our clinical efforts with the selected regimen in relevant cancer patients to further evaluate the safety and efficacy of ICP-192 to define registration path. We will initially focus the expansion studies on cholangiocarcinoma with FGFR2 fusions and urothelial cancer with FGFR2/3 genetic alterations. We also plan to explore ICP-192 in other solid tumors with FGFR genetic alterations. ICP-192 is one of the most advanced pan-FGFR inhibitors under clinical development in China, which together with its best-in-class potential gives us a unique position to fulfill significant unmet medical needs from cancer patients carrying FGFR aberrations.

ICP-105 (FGFR4 inhibitor). ICP-105 is a potent, highly selective FGFR4 inhibitor developed primarily for the treatment of advanced HCC. There is currently no FGFR4 inhibitor on the market worldwide. We are the only China-based biopharmaceutical company that has internally discovered and developed a clinical stage FGFR4 inhibitor. Pre-clinical data of ICP-105 demonstrate strong anti-tumor efficacy in HCC mouse models. We are currently

evaluating ICP-105 in a Phase I trial in China as a monotherapy in solid tumor patients. Based on the preliminary clinical data to date, ICP-105 was safe and well tolerated. We plan to initiate a Phase II trial in HCC patients with FGFR4 pathway overactivation once the MTD and OBD for ICP-105 have been identified. According to Frost & Sullivan, the number of new cases of HCC globally was 756,972 in 2018 and is expected to reach 1.0 million in 2030. The number of new cases of HCC in China was 360,181 in 2018 and is expected to reach approximately 473,000 in 2030. FGFR4 signaling is aberrantly activated in approximately 20% of HCC patients. We believe ICP-105 is potentially a first-in-class FGFR4 inhibitor for the treatment of HCC with FGFR4 pathway overactivation in China and as a result is well positioned to address significant unmet medical needs.

Potential first-in-class BTK inhibitor for the treatment of SLE and other autoimmune diseases

SLE is an autoimmune disease that can lead to organ failure and impose a severe economic and social burden upon patients. Studies show that inhibition of BTK signaling significantly impacts multiple key effector pathways that contribute to the pathogenesis of SLE, including B-cell and macrophage functions. Due to the chronic nature of SLE and other autoimmune diseases, therapies must demonstrate a favorable safety profile to support long-term use. The pooled safety data of orelabrutinib from healthy volunteers and patients with B-cell malignancies have shown a favorable safety profile. We are pursuing the development of orelabrutinib as a novel therapy for the treatment of autoimmune diseases given its high selectivity and potentially superior safety profile. Our clinical evaluation in patients with autoimmune diseases is progressing in a stepwise effort with an initial focus on SLE.

Orelabrutinib significantly reduces SLE-associated biomarkers and improves the survival rate in pre-clinical SLE animal models. SLE treatment requires lower dosage of orelabrutinib than cancer treatments to allow chronic use. As a result, we are initiating a Phase Ib/IIa trial to identify the optimal dosing regimen and evaluate the safety, tolerability and biomarker readout of orelabrutinib in combination with standard of care treatment for SLE in China. Approval from the relevant authority is currently being obtained to start patient enrollment for such trial.

Existing treatment options for SLE patients remain limited and are either ineffective, inconvenient or poorly tolerated in a sizeable group of patients. The only approved targeted therapy for SLE, belimumab, has also shown modest efficacy and needs to be administered by injection. Orally administered BTK inhibitors, such as orelabrutinib, could be a promising treatment option for SLE patients.

According to Frost & Sullivan, the global prevalence of SLE was approximately 7.6 million in 2018. SLE places a substantial economic burden on patients with direct costs such as diagnosis, treatment and rehabilitation expenses reaching up to US$70,000 annually per patient. Indirect costs including loss in economic productivity and diminished social functions, such as childcare and domestic activities, can reach up to US$18,000 annually per patient and impose an additional burden upon SLE patients. Global SLE therapeutic market totaled approximately US$12.0 billion in 2030, while China SLE therapeutic market reached RMB14.9 billion in 2030.

Once the optimal dosing regimen is identified, we also plan to develop orelabrutinib for the treatment of other autoimmune diseases, such as lupus nephritis (LN), multiple sclerosis (MS), pemphigus and rheumatoid arthritis (RA). The global prevalence of LN, MS and RA was approximately 44.2 million in 2018.

Well-known team with extensive industry experience and scientific expertise

We have assembled a well-known team of industry executives with extensive experience in multinational pharmaceutical companies. Our success is, to a large extent, the product of our management's leadership and expertise, which cover the full spectrum of the drug development cycle from discovery and research to clinical development and commercialization. Our founding team has worked together for over eight years to achieve one goal—advancing disruptive therapeutic innovation in China. In particular, we believe our co-founders' complementary expertise in industry and academia is the differentiating factor that continues to propel our Company ahead of our peers.

Dr. Jisong Cui, our co-founder, CEO and Chairperson of our Board, brings more than 20 years of leadership experience in drug discovery and development to our Company. Dr. Cui was the former chief executive officer and chief scientific officer at BioDuro LLC. and the previous director and chair of early development team of cardiovascular diseases at Merck Research Laboratories. Dr. Cui has authored more than 50 papers published in peer-reviewed journals and holds three patents.

Dr. Yigong Shi, our co-founder and President of our Scientific Advisory Board, is globally acclaimed for his expertise in structural biology and oncology and has held professorships at Tsinghua University and Princeton University. Dr. Shi has authored more than 180 papers published in peer-reviewed journals.

Dr. Xiangyang Chen, our Chief Technology Officer, has more than 20 years of drug discovery experience and was previously the executive director of medicinal chemistry at BioDuro and former principal scientist at Pfizer.

Dr. Zhixin Rick Xu, our Chief Medical Officer, has close to 30 years of experience in global clinical development of new drugs and was the former senior director at Roche American Clinical Pharmacology and Translational Medicine Center.

Mr. Shaojing Tong, our Chief Financial Officer, has close to 20 years of experience working for investment banks focusing on the global healthcare sector and was previously an executive director in the investment banking research department of UBS AG.

Dr. Richard Liu, our Head of Biology and Procurement, has more than 20 years of drug discovery experience in immunology and was previously the senior director of discovery biology at BioDuro and former senior principal scientist at Bristol-Myers Squibb.

Dr. Renbin Zhao, our Executive Director of Biology and Clinical Development Strategy, has over 15 years of drug discovery experience and was the former director of discovery biology at BioDuro and former principal scientist at Johnson and Johnson (Discovery).

Dr. Charles Wang, our Vice President of Drug Safety and Drug Metabolism and Pharmacokinetics, has more than 20 years of experience in drug safety assessment and was previously the director of nonclinical safety evaluation at GlaxoSmithKline US and the vice president of drug safety at Hua Medicine.

In addition to our core management team, we have also established our Scientific Advisory Board which currently comprises of five top-notch professors and key opinion leaders, including Dr. Yigong Shi (President of our Scientific Advisory Board), a non-executive Director and expert in structural biology and oncology, Dr. Zemin Zhang, an INED and cancer genomic expert who is a professor at Peking University and was the former head of the bioinformatics division at Genentech Inc., USA, Dr. Zhanguo Li, a world-class specialist in rheumatoid immunotherapy and former director of the Clinical Immunology Center/Rheumatism Immunology Department at Peking University People's Hospital, Professor Arnold Levine, a globally recognized leader in cancer research and professor emeritus at the Institute of Advanced Study. In addition, we have recruited James Deng, general manager of Becton Dickinson's Greater China business and the former chief executive officer and president of Novartis Pharmaceuticals China, as our Sales & Marketing Advisor. All members of our Scientific Advisory Board serve to provide advisory services to the Company in particular relating to (i) advice and recommendations of business objectives; (ii) updates and technical insights on research and development strategies and commercialization results; and (iii) recommendations relating to innovative drug target and new drug discovery projects as well as market data and intelligence in the biotech sector.

When selecting candidates to become members of our Scientific Advisory Board, the Company will look for renowned specialists in the biotech sector who are able to provide valuable and unique expertise in various disciplines.

OUR STRATEGIES

Our vision is to become a global biopharmaceutical leader that develops and delivers innovative therapies for patients worldwide. To achieve this vision, we intend to execute the following business strategies.

Rapidly advance orelabrutinib through clinical development in B-cell malignancies and explore global market opportunities

We have initiated a broad clinical program for orelabrutinib in various B-cell malignancies in China. We are developing orelabrutinib in two registrational trials for the treatment of r/r CLL/SLL and r/r MCL. The NDA of orelabrutinib for r/r CLL/SLL has been submitted and accepted for review by the NMPA in November 2019 and the NDA for r/r MCL has been submitted to the NMPA in January 2020. We will continue our efforts to advance orelabrutinib as a monotherapy in various Phase II clinical trials for other B-cell malignancies, including MZL, CNSL, WM and non-GCB DLBCL sub-population with double mutations in China. We are currently communicating with the relevant authority to finalize study protocols for orelabrutinib as a first-line therapy for CLL/SLL patients in a Phase III study in China. As at the Latest Practicable Date, we have 11 clinical trials ongoing or planned for initiation for orelabrutinib for B-cell malignancies, including two registrational trials.

We have initiated a Phase I basket trial of orelabrutinib in the U.S. for B-cell malignancies. As we continue to advance clinical development in the U.S., we plan to seek ex-China partnerships and out-licensing opportunities to maximize the commercial value of orelabrutinib globally.

We also intend to identify and develop promising combination therapies to leverage its favorable safety profile demonstrated by clinical data to date, we also intend to identify and develop promising combination therapies with orelabrutinib. We have initiated a Phase I trial of orelabrutinib in combination with MIL62, a next-generation CD20 antibody for FL patients in China and plan to explore other promising combination therapies with agents such as BCL-2 and PI3K inhibitors for the treatment of B-cell malignancies.

Advance the development of ICP-192 and ICP-105 for solid tumors with aberrant FGFR signaling in China and worldwide

We plan to develop ICP-192, a potential best-in-class pan-FGFR inhibitor, for the treatment of various types of solid tumors. We are currently conducting a Phase I/IIa study of ICP-192 to define its MTD and/or OBD and PK/PD in patients with solid tumors. After MTD and/or OBD is identified, we will expand our clinical efforts with the selected regimen in relevant cancer patients to further evaluate the safety and efficacy of ICP-192 to define registration path. We will initially focus the expansion studies on cholangiocarcinoma with FGFR2 fusions and urothelial cancer with FGFR2/3 genetic alterations.

We are currently evaluating ICP-105 in a Phase I dose escalation trial in China to identify the MTD and/or OBD in patients with solid tumors. We will continue to advance ICP-105 through clinical trials in China for the treatment of HCC with FGFR4 pathway overactivation.

In addition, we plan to explore ICP-105 or ICP-192 in combination with immune checkpoint inhibitors and other agents to treat solid tumors with FGFR aberrations. Depending on the results of these clinical trials, we intend to expand our clinical development efforts into additional solid tumor indications such as gastric and liver cancers.

Based on clinical trial results in China, we plan to expand the clinical development of ICP-192 and ICP-105 globally by focusing on promising indications and may seek global partnerships as well.

Develop orelabrutinib and other potential candidates for autoimmune diseases

Recognizing the significant market potential in autoimmune diseases and orelabrutinib's potentially favorable safety profile, we are developing orelabrutinib as a novel therapy for the treatment of autoimmune diseases. We are initiating a Phase Ib/IIa trial in China to identify the optimal dosing regimen and evaluate the safety, tolerability and biomarker readout of orelabrutinib for the treatment of SLE. Approval from the relevant authority is currently being obtained to start patient enrollment for such trial. After the optimal dosing regimen is identified, we also plan to initiate subsequent clinical studies to develop orelabrutinib for other

autoimmune diseases, such as LN, pemphigus, MS and RA. We may also consider initiating clinical studies of orelabrutinib in combination with biologics drugs for autoimmune diseases. Following the results of the Phase Ib/IIa study, we may expand our clinical trials globally.

In addition to orelabrutinib, we are exploring the possibility of treating autoimmune diseases induced by T-cell dysfunctions with other potential candidates. For example, we are developing ICP-330, a TYK2 inhibitor, for the treatment of various T-cell- mediated autoimmune diseases, such as psoriasis, inflammatory bowel disease (IBD) and SLE.

With both orelabrutinib as a B-cell pathway regulator and ICP-330 as a T-cell pathway regulator in hand, we believe we are well-positioned to provide oral drug solutions for the substantial unmet medical needs in autoimmune diseases.

Enhance our pipeline through in-house discovery and business development efforts

We will continue to develop the six drug candidates that are currently at IND-enabling stage. We will also enrich our product pipeline through a combination of internal discovery and business development efforts. In the long term, we expect to bring one to three compounds into our pipeline every year. To that end, we will continue to focus our in-house discovery efforts on potential best-in-class and/or first-in-class candidates for oncology and autoimmune diseases.

We also plan to pursue in-licensing opportunities that will complement our existing assets and platform, especially orelabrutinib. As our late-stage assets continue to be developed towards commercialization, we will seek assets that allow us to fully leverage and capitalize our manufacturing and commercial platform. A strong emphasis will also be placed on in-licensing late-stage, potential best-in-class or first-in-class assets that have potential combination synergies with our current pipeline.

Build manufacturing and commercialization capabilities

We plan to build in-house manufacturing facilities and commercialization capabilities to support the anticipated launch of orelabrutinib. We believe that robust manufacturing and commercialization capabilities will create synergies and enhance efficiencies that will drive our future growth.

We are in the process of building a 50,000 m^2 manufacturing facility for commercial-scale production in Guangzhou with an annual production capacity of one billion pills. The facility is designed to comply with GMP requirements of the U.S., Europe, Japan and China. We currently estimate that the construction of the manufacturing facility will be completed in the fourth quarter of 2020.

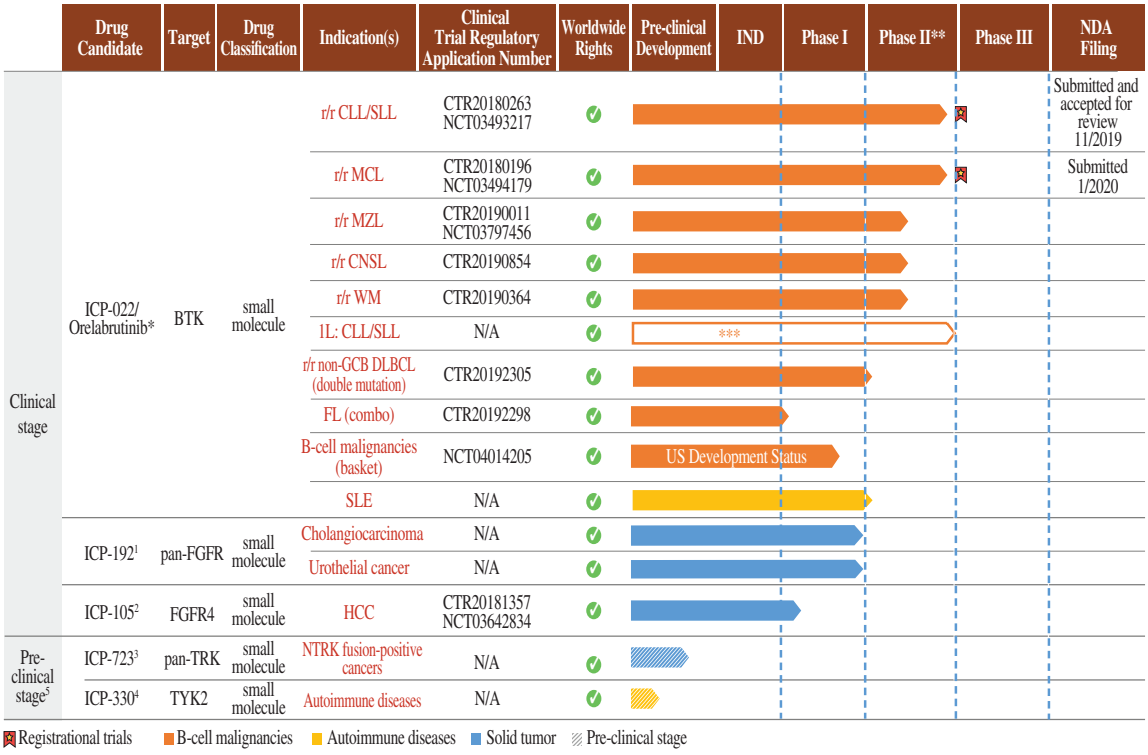
We are also building a commercialization team to support the initial launch of orelabrutinib upon NMPA approval. We expect to develop commercialization capabilities in a phased approach, starting with a team of 80 to 90 sales representatives at launch and covering over 300 nationally leading hospitals. If orelabrutinib is included in the national drug reimbursement list (NRDL), we plan to expand the commercialization team into approximately 150 sales representatives, covering over 800 top hospitals. As additional products are launched from our pipeline, we will continue to expand our sales force. We have recently recruited our sales and marketing leadership, Mr. Yi Zhang and Dr. Zhichao Si, who bring extensive sales and marketing experience in China's hematologic market from Janssen. Our commercialization efforts will also be advised by Mr. James Deng, the general manager of Becton Dickinson Greater China and the former chief executive officer and president of Novartis Pharmaceuticals China.

Maximize the global value of our drug candidates

Our strategy is to collect early data including PK/PD and proof-of-concept data in China by leveraging its large patient population. We will then expand clinical trials globally for promising assets or indications. We will seek strategic collaboration opportunities worldwide to maximize the commercial value of our assets. We may selectively form partnerships with leading biopharmaceutical companies to accelerate our global clinical programs.

OUR DRUG CANDIDATES

Our team has discovered and developed a robust pipeline of three clinical stage candidates for multiple indications and six candidates at IND-enabling stage focused on the treatment of cancer and autoimmune diseases. The following chart summarizes our pipeline and the development status of each clinical stage drug candidate and selected IND-enabling stage candidates as at the Latest Practicable Date:



† All development status refers to status in China except when otherwise indicated.

Abbreviations: CLL = Chronic Lymphocytic Leukemia; SLL = Small Lymphocytic Lymphoma; MCL = Mantle Cell Lymphoma; MZL = Marginal Zone Lymphoma; CNSL = Central Nervous System Lymphoma; GCB = Germinal Center B-cell; DLBCL = Diffuse Large B-Cell Lymphoma; WM = Waldenstrom's Macroglobulinemia; FL = Follicular Lymphoma; SLE = Systemic Lupus Erythematosus; HCC = Hepatocellular Carcinoma.

* Denotes our Core Product Candidate, orelabrutinib (ICP-022).

** For indications of r/r CLL/SLL and r/r MCL, the registrational trial for NDA submission is the Phase II clinical trial based on our communications with the NMPA. Confirmatory Phase III clinical trials will be required after we receive conditional approvals from the NMPA based on the results of these two registrational Phase I and Phase II clinical trials. Please refer to the section headed "Regulatory Environment" for further details. Please also see the section headed "Risk Factors – Risks Relating to Extensive Government Regulation" for details on relevant risks.

*** Upon IND approval, we may initiate a registrational trial in China.

1 We expect to initiate the Phase II trials for cholangiocarcinoma and urothelial cancer by the second quarter of 2020.

2 We expect to complete the Phase I trial for HCC in the first or second quarter of 2020.

3 We expect to submit an IND application for NTRK fusion-positive cancers to the NMPA in the first quarter of 2020.

4 We expect to submit an IND application for autoimmune diseases to the NMPA in the second half of 2020.

5 We also have four undisclosed IND-enabling stage candidates currently under development.

CLINICAL STAGE CANDIDATES

Orelabrutinib (ICP-022)

Orelabrutinib is a potential best-in-class, highly selective and irreversible small-molecule BTK inhibitor that we are investigating in a broad clinical program as a monotherapy and in combination therapies in China and the U.S. Available clinical and pre-clinical data to date demonstrate that orelabrutinib has improved target selectivity, occupancy and safety profile than that of the currently approved BTK inhibitors based on reported data, while maintaining comparable efficacy. While pre-clinical data are generally insufficient to conclude on clinical benefits, we believe orelabrutinib is a promising treatment option for patients with B-cell malignancies and autoimmune diseases.

We are conducting two registrational studies for orelabrutinib, a Phase II study in patients with r/r MCL and a Phase II study in patients with r/r CLL/SLL in China. We are also evaluating orelabrutinib in three Phase II studies in China as a treatment option for patients with r/r MZL, r/r CNSL and r/r WM, and have initiated a Phase I study in China in a combination therapy with MIL62, a next-generation CD20 antibody for FL patients.

We are currently communicating with the relevant authority to finalize study protocols for orelabrutinib as a first-line therapy for CLL/SLL patients in a Phase III study in China. We also plan to initiate a Phase II study to investigate orelabrutinab in patients with r/r non-GCB DLBCL sub-population with double mutations as a monotherapy in China.

Separately, we have initiated a Phase I basket trial for B-cell malignancies in the U.S.

We also plan to evaluate orelabrutinib as a potential therapy for the treatment of autoimmune diseases. We are currently obtaining approval from the relevant authority to start patient enrollment for a Phase Ib/IIa trial of orelabrutinib in combination with standard of care treatment for SLE in China.

While we believe orelabrutinib has the potential to be a globally best-in-class BTK-inhibitor, orelabrutinib faces competition from approved and clinical stage candidates worldwide. In particular, whereas first generation BTK inhibitors such as ibrutinib may induce off-target effects, the second generation of BTK inhibitors, including acalabrutinib and zanubrutinib have shown superior efficiacy and less off-target activities. For more information about the competitive landscape of orelabrutinib, please refer to the subsection headed "Industry Overview – BTK Inhibitors".

Orelabrutinib for B-cell Malignancies

We are developing orelabrutinib to address the unmet therapeutic needs of patients with B-cell malignancies and provide them with better treatment options. We believe orelabrutinib is a potential best-in-class BTK inhibitor with reduced side effects and once daily dosing advantage based on available pre-clinical and clinical data to date.

Based on observational results only, Orelabrutinib has demonstrated higher selectivity against BTK based on data from our pre-clinical studies and the reported data of ibrutinib (Imbruvica), acalabrutinib (Calquence) and zanubrutinib. Albeit not through head-to-head studies, the better bioavailability of orelabrutinib tablet enables once-daily administration at low dosage and near 100% 24-hour BTK occupancy in blood.

This combination of high selectivity and sustained BTK occupancy at low dosage reduces off-target activities and potentially results in a superior safety profile for orelabrutinib. For TEAEs observed among the 200 patients assessed in our trials of orelabrutinib for r/r MCL, r/r CLL/SLL, r/r MZL, r/r CNSL and r/r WM at the respective data cut-off date for each trial, all diarrheas were Grade 1 or 2 except for one Grade 3 (0.5%) and no clinically relevant atrial fibrillation or flutter was observed. For details please refer to "– Competitive Advantages of Orelabrutinib – Improved safety and robust efficacy profile". We believe these activities are off-target related and the favorable safety profile correlates with the higher selectivity of orelabrutinib. In addition, all treatment-related infections observed were Grade 1 or Grade 2 except for three Grade 3 or higher infections.

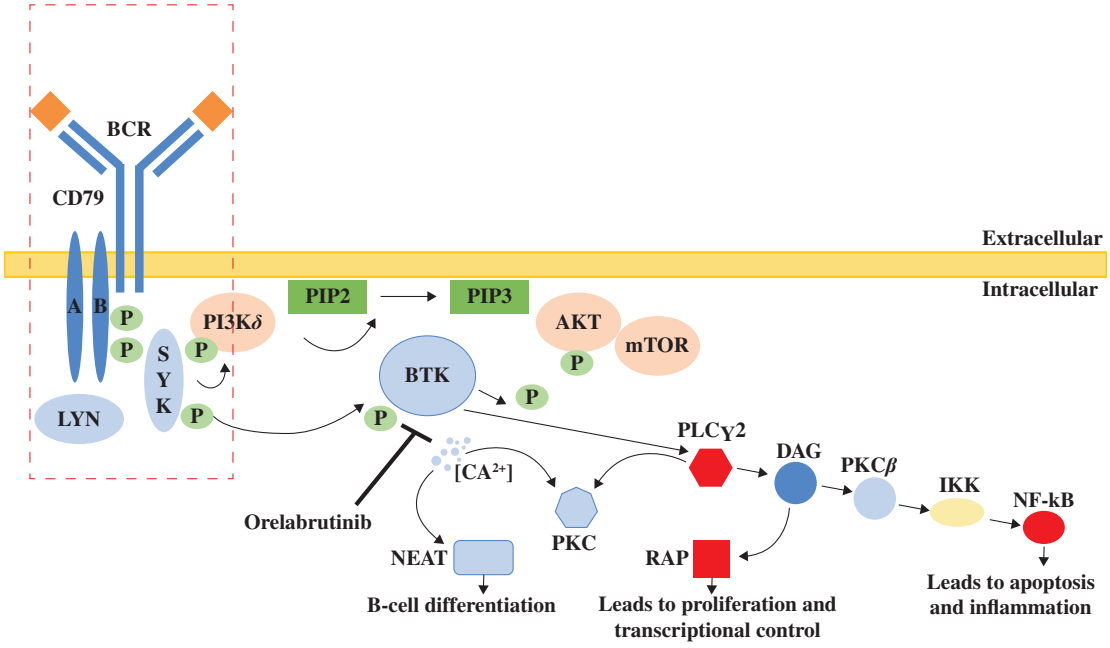
The favorable safety profile along with once-daily dosing also offer a potential advantage for orelabrutinib as a combination therapy option compared to BTK inhibitors that require multiple-daily dosing. The safety, tolerability and efficacy profiles of orelabrutinib have been evaluated in seven clinical trials, including two registrational trials in patients with r/r CLL/SLL and r/r MCL in China.

Mechanism of Action

BTK is a non-receptor tyrosine kinase that plays a key role in signaling in various cell surface receptors, most prominently the B-cell antigen receptor (BCR). The BCR signaling pathway is crucial for the proliferation and survival of leukemic cells in lymphomas. BTK inhibitors selectively block kinase activities and regulate signaling pathways to interfere with B-cell development and thereby control oncogenic progression of various B-cell malignancies.

Orelabrutinib is an orally available potent BTK inhibitor that irreversibly binds to BTK to induce downstream kinase inactivation and cell death. Orelabrutinib was designed with a single ring at the scaffold center instead of a fused bi-cycle core which is common in the three leading competitor molecules in the field. We believe this unique feature conveys higher selectivity for orelabrutinib relative to the currently approved BTK inhibitors which should result in fewer off-target side effects that potentially lead to treatment discontinuation.

The diagram below illustrates the mechanism of action of orelabrutinib in B-cell malignancies:



Adapted from: "Targeting B-Cell receptor signaling for anticancer therapy: the Bruton's tyrosine kinase inhibitor ibrutinib induces impressive responses in B-cell malignancies." by A. Wiestner, *J Clin Oncol.* 2013 Jan 1;31(1):128-30. doi: 10.1200/JCO.2012.44.4281

Market Opportunity and Competition

Lymphomas are blood cancers that develop from lymphocytes, a subtype of hematological cells that are produced in the bone marrow and found in the blood and in lymphoid tissues. Two main types of lymphomas are Hodgkin's lymphoma (HL) and NHL. Depending on the origin of the cancer cells, lymphomas can also be characterized as B-cell or T-cell lymphomas. 85% of all NHLs are B-cell lymphomas that are potentially addressable by BTK inhibitors. NHL comprises a heterogeneous group of malignancies arising from lymphoid tissue and the most common subtypes in China are DLBCL, CLL/SLL, FL, MZL and MCL.

There is significant market potential for BTK inhibitors for treating NHL. According to Frost & Sullivan, the global NHL prevalence reached 2.4 million in 2018 and has grown at a CAGR of 3.0% from 2014 to 2018, and is expected to grow at a CAGR of 2.4% from 2023 to reach 3.3 million by 2030. The NHL prevalence in China reached 454,982 in 2018 and has grown at a CAGR of 5.9% from 2014 to 2018, and is expected to grow at a CAGR of 3.1% from 2023 to reach approximately 730,000 by 2030.

The global BTK inhibitor market grew at a CAGR of 69.5% from 2014 to 2018 reaching US$4.5 billion in 2017, and is expected to further expand at a CAGR of 23.3% from 2018 to 2023, reaching US$12.9 billion in terms of sales in 2023, according to the same source. The BTK inhibitor market in China is expected to reach US$2.6 billion in 2030.

The selection of treatment of NHL depends on the subtypes, disease stage, patient age and general patient health conditions. There are four main treatments options for NHL, including chemotherapy, radiation therapy, immunotherapy and targeted therapy. Current pathobiological studies show that certain types of kinases are crucial to the development of metastatic disease. Such finding contributes to a focus on developing therapies targeting those kinases, including PI3K inhibitors and BTK inhibitors, for NHL treatment.

BTK is an evidence-based target for the treatment of B-cell malignancies. As at the Latest Practicable Date, Johnson & Johnson/Abbvie's ibrutinib (Imbruvica) is the only approved BTK inhibitor in China. Besides ibrutinib, AstraZeneca's acalabrutinib (Calquence) and BeiGene's zanubrutinib (Brukinsa) have been approved by the U.S. FDA. Currently approved BTK inhibitors have demonstrated common toxicities. Some of those toxicities are believed to be inherent to BTK inhibitors' mechanism of action, such as cytopenias, pneumonitis/infection, and others are believed to be attributable to the currently approved BTK inhibitors' off-target effects, such as diarrhea, bleeding and atrial fibrillation. These toxicities have caused intolerability and limited the clinical use of the currently approved BTK inhibitors.

The following table sets forth the clinical status of orelabrutinib and other BTK inhibitor candidates in China:

Drugs	Company	Indications								
		CLL/SLL	WM	MZL	MCL	cGVHD	FL	DLBCL	CNSL	B-NHL
Orelabrutinib	InnoCare	R/R NDA Application TN Phase III	R/R Phase II	R/R Phase II	R/R NDA Application	NA	Phase I/IIa	R/R Phase II	R/R Phase II	NA
Ibrutinib	J&J/Abbvie	R/R Approved TN Approved	R/R Approved	R/R Phase III	R/R Approved	NA	R/R Phase III	NA	NA	NA
Acalabrutinib	AstraZeneca	R/R Phase II	NA	NA	R/R Phase II	NA	NA	NA	NA	NA
Zanubrutinib	BeiGene	TN Phase III R/R NDA Application	R/R Phase II	R/R Phase II	R/R NDA Application	NA	NA	R/R Phase II	NA	NA
DTRMWXHS-12	Zhejiang DTRM	NA	NA	NA	R/R Phase I	NA	NA	NA	NA	R/R Phase I
CT-1530	Centaurus	NA	NA	NA	NA	NA	NA	NA	NA	R/R Phase I/II
SHR1459	Hengrui	NA	NA	NA	NA	NA	NA	NA	NA	R/R Phase I

Abbreviations: R/R = Relapsed and Refractory, TN = Treatment-Naive

Note: Only monotherapies are listed.

Sources: NIH, China clinical trials, Frost & Sullivan analysis

Competitive Advantages of Orelabrutinib

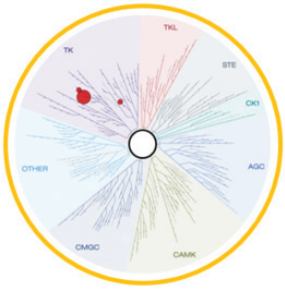
We believe orelabrutinib has the potential to be a globally best-in-class BTK-inhibitor based on its greater target occupancy and selectivity as compared to other approved BTK inhibitors. We believe orelabrutinib has the following competitive advantages:

Improved target selectivity

Enzymatic and cellular functional assays have shown orelabrutinib to be a potent and selective BTK inhibitor.

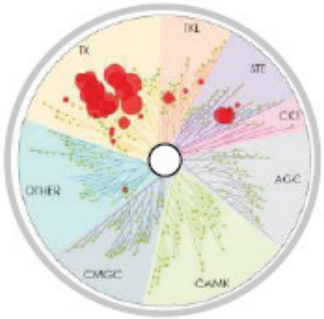
A KINOMEscan assay is an active site-directed competitive binding assay that quantitatively measures the interactions between test molecules and kinases. In a KINOMEscan assay against 456 kinases, orelabrutinib at 1 μM shows significant inhibition of only BTK by >90% and demonstrates no significant inhibition of other kinases, as illustrated by the dendrogram below. Each branch of the dendrogram represents an individual human kinase. Kinases bound by orelabrutinib are indicated by red circles on the kinome tree.

Orelabrutinib

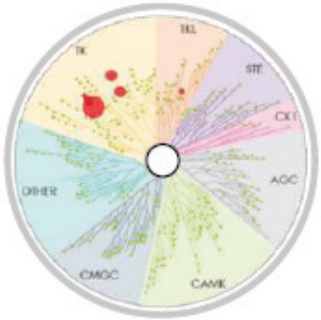


While there is no head-to-head comparative study, the different times a study was conducted and the relevant study design and protocols may make data not directly comparable, orelabrutinib demonstrates improved target selectivity in the KINOMEscan assay than that of other approved BTK inhibitors based on reported data, as shown in the dendrograms below. Kinases bound by the compound are indicated by red circles on the kinome tree. At a concentration of 1 μM, acalabrutinib and ibrutinib showed off-target activity. Ibrutinib, in particular, inhibited (>90%) not only BTK but also over a dozen other kinases including epidermal growth factor receptor (EGFR), cytoplasmic tyrosine-protein kinase BMX and tyrosine kinase expressed in HCC (TEC), which are often associated with adverse events such as diarrhea, bleeding and atrial fibrillation, respectively.

Johnson & Johnson/Abbvie
Ibrutinib



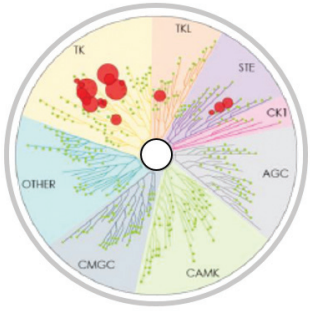
AstraZeneca
Acalabrutinib



Source: "Potency and Selectivity of BTK Inhibitors in Clinical Development for B-Cell Malignancies" by Kaptein A., et. al, *Blood, 2018, 132 (Suppl 1) 1871; DOI: 10.1182/blood-2018-99-109973*

In addition, BeiGene is currently developing zanubrutinib in Phase III trials in the U.S. and has filed an NDA in China. Reported KINOMEscan data show that zanubrutinib at a concentration of 1 μM inhibits multiple kinases, as shown in the dendrogram below.

BeiGene
Zanubrutinib



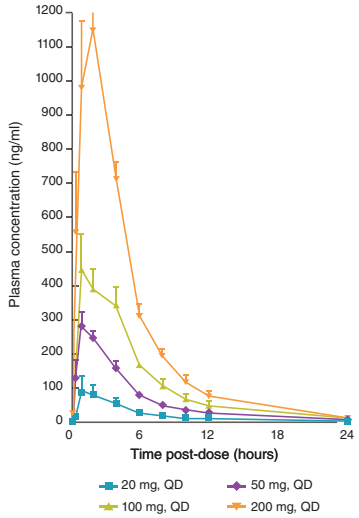
Source: "Potency and Selectivity of BTK Inhibitors in Clinical Development for B-Cell Malignancies" by Kaptein A., et. al, *Blood, 2018, 132 (Suppl 1) 1871; DOI: 10.1182/blood-2018-99-109973*

Favorable PK/PD profile and better target occupancy

Orelabrutinib has demonstrated sustained BTK occupancy at low dosage. While pre-clinical data is generally insufficient to conclude on clinical benefits, Orelabrutinib's unique bioavailability enables a dosage regimen of 150 mg once-daily, as compared to 100 mg twice daily for acalabrutinib (Calquence) and 420mg/560mg daily for ibrutinib (Imbrevica).

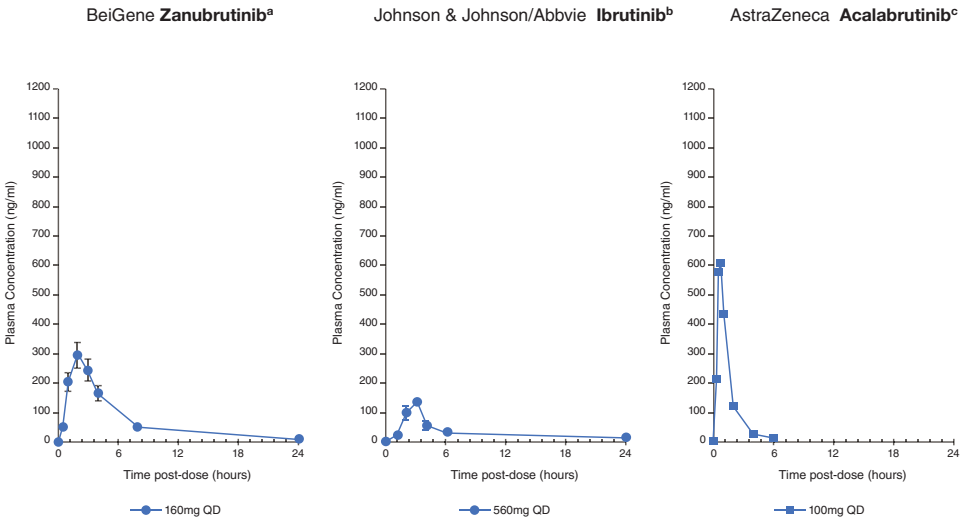
Available clinical data have demonstrated a favorable pharmacokinetic (PK) profile of orelabrutinib. After a single dose of orelabrutinib at 20 mg, 50 mg, 100 mg and 200 mg, Cmax of the drug was dose proportional as illustrated below. The data show orelabrutinib has good bioavailability and a linear PK.

Orelabrutinib post-dosing plasma exposure profile



Abbreviation: QD = once daily.

While there is no head-to-head comparative study and we have no immediate plans to conduct such study, the reported data of zanubrutinib, ibrutinib and acalabrutinib suggest a lower bioavailability at their respective dosage compared to orelabrutinib.



Abbreviation: QD = once daily.

Sources:

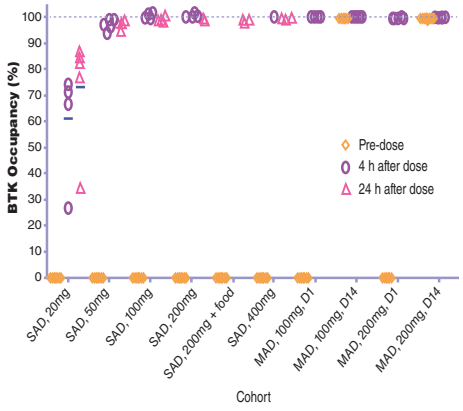
(a) BeiGene corporate presentation dated June 5, 2019, http://hkexir.beigene.com/media/1238/bgne-investor-deck-20190605.pdf

(b) Bruton tyrosine kinase inhibitor ibrutinib (PCI-32765) has significant activity in patients with relapsed/refractory B-cell malignancies, Advani R.H., et al. *Journal of Clinical Oncology*, 2013; 31(1):88-94. doi: 10.1200/JCO.2012.42.7906.

(c) Acalabrutinib (ACP-196) in Relapsed Chronic Lymphocytic Leukemia, Byrd J.C., et al, *The New England Journal of Medicine*, 2016; 374(4):323-32. doi: 10.1056/NEJMoa1509981.

Prolonged pharmacodynamic effects were observed after orelabrutinib had been cleared from circulation (up to 24 hours after a single dose). As illustrated below, sustained and near-100% BTK occupancy was achieved at a dosage level of 50 mg or higher and no decrease in BTK occupancy between 4- and 24-hour post-dosing was observed.

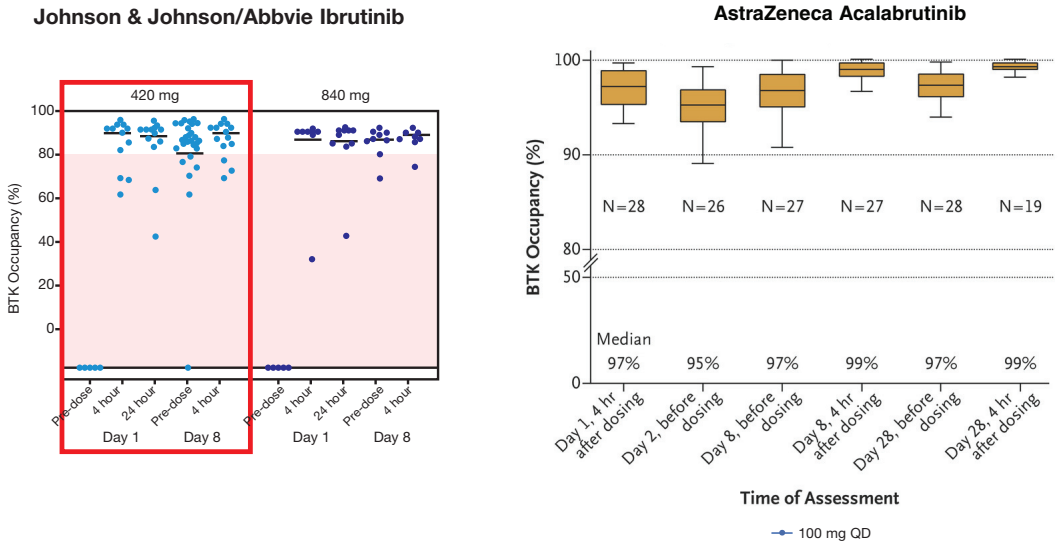
Orelabrutinib BTK occupancy



Abbreviations: SAD = single ascending dose; MAD = multiple ascending dose.

While there is no head-to-head comparative study and we have no immediate plans to conduct such study, orelabrutinib demonstrates better target occupancy than the reported data of ibrutinib and acalabrutinib. At a dosage level of 420 mg for ibrutinib, instances of BTK occupancy below 80% and a decrease in BTK occupancy between 4- and 24-hour post-dosing were observed. At a dosage level of 100 mg twice daily for acalabrutinib, instances of BTK occupancy below 90% and a decrease in BTK occupancy between 4- and 24-hour post-dosing were observed.

Ibrutinib and acalabrutinib BTK occupancy



Source: "Acalabrutinib (ACP-196) in Relapsed Chronic Lymphocytic Leukemia" by Byrd J.C., et al. *The New England Journal of Medicine*, 2016; 374(4):323-32. doi: 10.1056/NEJMoa1509981.
Abbreviations: QD = once daily.

Improved safety and robust efficacy profile

We are conducting two clinical studies in China to assess the efficacy and safety of orelabrutinib. Study ICP-CL-00102 is being conducted in patients with r/r MCL and study ICP-CL-00103 is being conducted in patients with r/r CLL/SLL. For both studies, the primary endpoint is IRC assessed objective response rate (ORR) and secondary endpoints include duration of response (DOR), progression free survival (PFS) and safety.

Available clinical data from these two studies demonstrated an improved safety profile of orelabrutinib than that of the currently approved BTK inhibitors based on reported data. Currently approved BTK inhibitors have demonstrated common toxicities. Some of such toxicities may be attributable to the currently approved BTK inhibitors' off-target effects, such as diarrhea, bleeding and atrial fibrillation. These toxicities have caused intolerability and limited their clinical use.

Potentially due to its high selectivity, orelabrutinib demonstrated a favorable safety profile and was found to be well-tolerated by patients with r/r MCL, r/r CLL/SLL, r/r MZL, r/r CNSL and r/r WM in five separate ongoing studies. For TEAEs occurred in these five trials at the respective data cut-off date for each trial, all diarrheas were Grade 1 or 2 except for one Grade 3 (0.5%), no clinically relevant atrial fibrillation or flutter was observed and only one major bleeding was reported. The favorable safety profile as compared with approved BTK inhibitors may correlate with the higher selectivity of orelabrutinib. See "– Study ICP-CL-00102 – Safety data" and "– Study ICP-CL-00103 – Safety data" for details.

The table below shows the adverse events of special interest based on the pooled data from our trials for r/r MCL, r/r CLL/SLL, r/r MZL, r/r CNSL and r/r WM. The adverse events of special interest are either commonly reported serious adverse events or adverse events that relate to poor drug tolerability which may lead to potential treatment discontinuation.

Adverse events of special interest in the orelabrutinib safety data set

Index	**orelabrutinib N=200, n (%)**
Major bleeding[(1)]	0.5%
Grade 3 or Grade 4 atrial fibrillation	0%
Grade 3 or Grade 4 hypertension	2.5%
≥ Grade 3 infection	16.0%
Secondary malignancy	0.5%
Diarrhea	7.0%

Note:
As of the data cut-off date of September 30, 2019 for ICP-CL-00102 trial, August 9, 2019 for ICP-CL-00103 trial and August 31, 2019 for ICP-CL-00104, ICP-CL-00105 and ICP-CL-00106 trial.

(1) Major bleeding refers to 1) severe bleeding, 2) bleeding that exceeds Grade 3, or 3) central nervous system hemorrhage of any Grade.

The table below shows the adverse events of special interests based on the reported data of zanubrutinib, ibrutinib and acalabrutinib.

Adverse events of special interest in the zanubrutinib, acalabrutinib and ibrutinib safety data set

Index	zanubrutinib N= 671[(a)] (%)	acalabrutinib N= 612[(c)(d)] (%)	ibrutinib N= 1,124[(b)] (%)
Major bleeding[(1)]	2.7%	2.0%	3.0%
Grade 3 or Grade 4 atrial fibrillation	0.6%	1.0%	4.0%
Grade 3 or Grade 4 hypertension	3.1%	2.5%	5.0%
≥ Grade 3 infection	21.3%	18.0%	24.0%
Secondary malignancy	7.9%	10.6%	10.0%
Diarrhea	18.2%	38.4%	39.0%[(e)]

Note:

1. Major bleeding refers to 1) severe bleeding, 2) bleeding that exceeds Grade 3, or 3) central nervous system hemorrhage of any Grade.

Sources:

(a) Pooled Analysis of Safety Data from Monotherapy Studies of the Bruton Tyrosine Kinase (BTK) Inhibitor, Zanubrutinib (BGB-3111), in B-Cell Malignancies, S. Tam C., et al., *European Hematology Association,* Jun 15, 2019; 266776, PS1159

(b) Imbruvica Prescribing Information, Jan 2019

(c) Pooled Analysis of Safety Data from Clinical Trials Evaluating Acalabrutinib Monotherapy in Hematologic Malignancies, John C. Byrd, et al., *Blood,* 2017; 130:4326

(d) NDA/BLA Multi-disciplinary Review and Evaluation, 210259Orig1s000, Center for Drug Evaluation and Research

(e) "Safety Analysis of Four Randomized Controlled Studies of Ibrutinib in Patients with Chronic Lymphocytic or Mantle Cell Lymphoma" by Susan O'Brien, et al., *Original Study,* 2018; 18(10), 648-657. e15.

Albeit not through head-to-head comparative study and based on observational results only, these data have demonstrated that orelabrutinib generally has less adverse events of special interest than zanubrutinib, ibrutinib and acalabrutinib. We have not conducted any head-to-head studies of orelabrutinib against zanubrutinib, ibrutinib or acalabrutinib, and have no immediate plans to conduct such studies.

In addition to an improved safety profile based on reported data, orelabrutinib also demonstrated a robust efficacy profile. As of the data cut-off date of September 30, 2019, among the 106 total enrolled r/r MCL patients in study ICP-CL-00102, including 86 patients at regimen of 150 mg, QD and 20 patients at 100 mg, BID, 99 patients had response assessments. Overall, the IRC assessed objective response rate was 85.9%, complete response rate assessed by CT was 27.3% (among the 28 patients who had pre- and post-PET CT evaluation, the corresponding complete response rate was 53.6%), partial response rate was 58.60%, stable disease rate was 5.1%, and the disease control rate was 90.9%. The median DOR has not yet been reached and 6-month DOR rate was 77.1%. Among the 86 patients at regimen of 150 mg, QD, 79 patients had response assessments. The IRC assessed objective response rate was 83.5%, complete response rate assessed by CT was 29.1%, partial response rate was 54.4%, stable disease rate was 5.1%, and the disease control rate was 88.6%. The median DOR has not yet been reached and 6-month DOR rate was 79.2%.

Among the 80 total enrolled r/r CLL/SLL patients treated with orelabrutinib in study ICP-CL-00103, as of the data cut-off date of August 9, 2019. The IRC assessed objective response rate was 88.8% (IRC assessed), two patients achieved complete response (CR), one patient achieved CR with incomplete marrow recovery (CRi), partial response was 57.5%, partial response rate with lymphocytosis was 27.5% and the disease control rate was 93.8%. The median DOR has not yet been reached and 6-month DOR rate was 88.4%.

Clinically, orelabrutinib achieved approximately 100% BTK occupancy 24 hours after a single-dose of 150 mg in MCL patients.

Candidate Development Process

Pre-clinical Research

From the second half of 2015 until we obtained IND approval for orelabrutinib in China in December 2017, our team with experience in chemistry, pharmacology, toxicology and cancer biology worked with reputable CROs to conduct the following pre-clinical research and regulatory work for orelabrutinib: efficacy evaluation in animal models, dose selection, toxicity testing, PK and pharmacodynamics (PD) assessments, CMC development, IND package preparation, onsite inspection, registration sample submission, and pre-IND meeting preparation and participation.

Clinical Research

Upon obtaining IND approval from the NMPA in December 2017, our clinical development team with extensive experience in clinical development worked with reputable CROs and CMOs to conduct the following activities for the ongoing and planned clinical trials of orelabrutinib: clinical development strategies, market value assessments, trial proposals and protocol designs, including determining study objectives and endpoints, trial preparation, site selection, patient recruitment, medical/safety monitoring, site monitoring, data collection/verification and statistical analysis.

Summary of Clinical Trial Data

The safety, tolerability and efficacy profiles of orelabrutinib are being evaluated in seven ongoing clinical trials including two registrational trials. As of September 30, 2019, orelabrutinib has been administered to 254 subjects.

Study ICP-CL-001 Phase I study in healthy volunteers

Study ICP-CL-001 is a Phase I randomized, double-blinded, placebo-controlled, dose escalation study of orelabrutinib in healthy volunteers conducted in Australia.

Trial Design. The study evaluated the safety, tolerability, PK/PD profiles of orelabrutinib in healthy volunteers following single (20, 50, 100, 200 and 400 mg) and multiple escalating doses (100 and 200 mg QD, 100 mg BID) for 14 consecutive days. The study was divided into 8 cohorts and in each cohort, 8 subjects were randomized to receive orelabrutinib (6 subjects) or placebo (2 subjects).

Trial Status: The study has been completed.

Safety data: A total of 48 subjects were treated in this study. Orelabrutinib was safe and well tolerated in healthy volunteers who received a single dose of orelabrutinib of up to 400 mg or multiple doses of up to 100 mg twice daily or 200 mg daily for 14 consecutive days. All TEAEs reported during the study were mild or moderate in severity and resolved before the end of the study. Petechiae and headache were the most commonly reported treatment-related TEAEs in the orelabrutinib-treated cohorts. No dose limiting toxicities (DLT) were encountered and the MTD was not reached. No serious TEAEs, TEAEs leading to study treatment withdrawal, or serious TEAEs resulting in death were reported during this study.

Pharmacokinetics: Systemic exposure (both AUC and C_{max}) of orelabrutinib increased with dose in a proportional manner resulting in approximately similar dose-normalized AUClast values across all dosage levels, indicating a linear PK. The mean terminal $t_{1/2}$ of orelabrutinib was approximately 4 hours across all cohorts. There was no drug accumulation in plasma after repeat dosing. No significant food effect was observed following co-administration of orelabrutinib with a standard high-fat, high-calorie meal.

Pharmacodynamics: Near complete and sustained BTK occupancy was achieved at a dose level of 50 mg or higher with small inter-subject variability (CV%). No decrease of BTK occupancy, between 4- and 24-hour post-dosing, was observed. The exposure-response relationship between C_{max} and BTK occupancy at 24-hour post-dosing by logistic regression showed that the C_{max} at a dose of 50 mg or greater exceeded the concentration required to achieve >99% BTK occupancy at 24-hour (EC99).

Conclusion: The study results show orelabrutinib has a favorable safety profile, good bioavailability, linear PK, prolonged PD effect and favorable PK/PD relationship.

Study ICP-CL-00102 registrational study in patients with r/r MCL

Study ICP-CL-00102 is an open label, multi-center, two-stage, registrational study in r/r MCL patients to evaluate the safety, efficacy and tolerability of orelabrutinib at the RP2D.

Trial Design: The primary endpoint is to determine objective response rate (ORR by IRC) of orelabrutinib in patients with r/r MCL. Secondary endpoints include: ORR (evaluated by investigator), duration of response (DOR evaluated by IRC), progression-free survival (PFS), overall survival (OS) and safety. Treatment response was assessed using Lugano criteria. The trial was carried out in two stages. Stage I was designed for regimen selection where the patients were divided into two groups receiving 100 mg BID or 150 mg QD orally to determine the RP2D. Stage II was designed to evaluate efficacy in which patients were dosed at the RP2D (150 mg QD). All patients received at least one and no more than four therapies previously; among them, 90.7% at the RP2D had received CD20 antibody treatment previously.

Trial Status: Study enrollment has been completed and a total of 106 patients were enrolled. Among them, 20 patients received 100 mg, BID and 86 patients received 150 mg, QD regimens. These patients were treated at 22 centers across China in this study. Result of this study was based on the data cut-off date as of September 30, 2019.

Efficacy data: 40 patients were enrolled and divided into two cohorts (n=20 each) for Stage I and an additional 66 patients were enrolled for Stage II of the study. The 150 mg QD regimens, was selected as RP2D because of its favorable safety profile, a better ORR and the convenience of once daily dosing. All patients who were enrolled in Stage I continued their treatment. As of the data cut-off date of September 30, 2019, a total of 106 patients received orelabrutinib treatment, among them 99 patients had response assessments. The response rate was assessed by traditional CT imaging technology. The ORR (evaluated by IRC) for the evaluable patients was 85.9%, the complete response (CR) rate assessed by CT was 27.3% (among the 28 patients who had pre- and post-PET CT evaluation, the corresponding complete response rate was 53.6%), partial response (PR) rate was 58.6%. Stable disease rate was 5.1%. The total disease control rate was 90.9%. The median DOR has not yet been reached.

Safety data: As of the data cut-off date of September 30, 2019, all 106 patients in this study ICP-CL-00102 had safety assessments. Among the 106 patients treated with orelabrutinib, the most frequent (15%) AEs of any cause were hematological toxicities, including thrombocytopenia, neutropenia, white blood cell count decrease, anaemia, and respiratory system infections, as well as rash. The most commonly reported (>10%) Grade 3 or higher AEs of any cause were thrombocytopenia (11.3%). No clinically relevant atrial fibrillation or flutter and no treatment related secondary malignancy was observed. No Grade 3 or higher hemorrhage was reported. No treatment-related Grade 3 or higher diarrhea or cardio toxicity was observed. Of the 106 patients, 29 experienced serious AEs, of which 15 were considered treatment-related, mostly relating to hematologic toxicities and/or infections; 46 Grade 3 or higher TEAEs were observed of which 33 were treatment-related.

Study ICP-CL-00103 registrational study in patients with r/r CLL/SLL

Study ICP-CL-00103 is an open-label, multi-center, two stage, registrational study in r/r CLL/SLL patients to evaluate the safety, efficacy and tolerability of orelabrutinib at the RP2D.

Trial Design: The primary endpoint is ORR (evaluated by IRC) of orelabrutinib in patients with r/r CLL/SLL. Secondary endpoints were ORR (evaluated by investigator), DOR, progression free survival (PFS) and safety. Treatment response was assessed using 2008 IWCLL criteria (with modification for PRL). The study was carried out in two stages. Stage I was designed to assess the DLT, safety and tolerability of orelabrutinib at 150mg QD in the first 6 patients with r/r CLL/SLL. Stage II was designed to evaluate the therapeutic benefits of orelabrutinib in patients that received the RP2D of 150mg QD. The patients were between the age of 36 and 78, and 98.8% of patients have previously received alkylating agents (including bendamustine), 58.8% of patients have previously received purine analog treatment, and 43.8% of patients have previously received CD20 antibody treatment. Of the 80 total enrolled patients, all CLL patients were at Binet stage B or C, and 56 patients (70%) were at Rai III/IV stage. In addition, tumor burden was high among enrolled patients, 43 patients (53.8%) had ≥5cm tumor diameter of measurable target lesion and 15 patients (18.8%) had ≥10cm tumor diameter of measurable target lesion.

Trial Status: Study enrollment has been completed and a total of 80 patients were enrolled and treated in this study. Interim analysis was conducted based on the data cut-off date as of August 9, 2019.

Efficacy data: 6 patients were enrolled in Stage I of the study and an additional 74 patients were enrolled in Stage II of the study. As of the data cut-off date of August 9, 2019, 80 enrolled patients were evaluable for response. The ORR (assessed by IRC) was 88.8%. Among 80 enrolled patients, CR/CRi rate was 3.8%, PR rate was 57.5%, and PR rate with lymphocytosis was 27.5%. Stable disease rate was observed in 5.0% of the patients. The total disease control rate was 93.8%. The median DOR has not yet been reached and 6-month DOR rate was 88.4%. Subgroup analysis did not reveal significant differences. This interim ORR and stable disease data have not been reviewed by IRC.

Safety data: A total of 80 patients were enrolled and treated in this study. As of the data cut-off date of August 9, 2019, all 80 patients had safety assessments. Among the 80 patients treated, the most frequent (≥20%) AEs of any cause were hematological toxicities, including thrombocytopenia, neutropenia, upper respiratory tract infection, lung infection, increased weight and blood urine present. No cases of clinically relevant atrial fibrillation or treatment related secondary malignancy was observed. Only one major bleeding and one grade 3 diarrhea was reported. The most frequently (≥10%) reported ≥ Grade 3 AEs of any cause were neutropenia, thrombocytopenia and lung infection. Among all patients treated, 16 patients experienced at least one serious TRAE with 2 patients leading to dose reduction and 3 patients leading to death.

Conclusion of Study ICP-CL-00102 and Study ICP-CL-00103: Both studies demonstrate orelabrutinib was well tolerated by treated patients. For TEAEs observed in these two studies, we consider diarrhea, bleeding and atrial fibrillation to be off-target related. Among these off-target TEAEs, all diarrheas were Grade 1 or 2 except for one Grade 3 (0.5%) and no clinically relevant atrial fibrillation was observed. Orelabrutinib's favorable safety profile and convenient QD dosing regimen make it a potential best-in-class therapeutic option for patients with B-cell malignancies. In addition, orelabrutinib has shown a robust efficacy profile in advanced-stage r/r MCL and r/r CLL/SLL patients.

Clinical Development Plan

The NDA of orelabrutinib for r/r CLL/SLL has been submitted and accepted for review by the NMPA in November 2019. Based on the results of our registrational studies in patients with r/r MCL, we have submitted the NDA for r/r MCL to the NMPA in January 2020.

In addition to our registrational studies in patients with r/r CLL/SLL and patients with r/r MCL, we have several ongoing trials in China to evaluate orelabrutinib in patients with various B-cell malignancies:

Study ICP-CL-00104: Phase II, multi-center, open-label study to assess safety, tolerability and efficacy of orelabrutinib at 150 mg QD in patients with r/r MZL. Primary endpoint is ORR and secondary endpoints include safety, tolerability, DOR, PFS and OS for this study. Patient enrollment has begun for this study.

Study ICP-CL-00105: Phase II, multi-center, open-label study to assess safety, tolerability and efficacy of orelabrutinib at 150 mg QD in patients with r/r WM. Primary endpoint is MRR (major response rate) measured by IWWM and NCCN guidelines 2017 v1 and secondary endpoints include safety, tolerability, DOR, PFS, CR, VGPR, PR, immunoglobulin changes, and OS. Patient enrollment has begun for this study.

Study ICP-CL-00106: Phase II, multi-center, two-stage, open-label study to assess safety, tolerability and efficacy of orelabrutinib at 150 mg QD in patients with r/r primary CNS Lymphoma (pCNSL). Primary endpoint is ORR measured by IPCG (International Study Group for Primary CNS Lymphoma) criteria and secondary endpoints include safety, tolerability, CR, DOR, PFS and OS. Patient enrollment has begun for this study.

Study ICP-CL-00108: Phase I, multi-center, two-stage, open-label study to assess safety, tolerability and efficacy of orelabrutinib at 150 mg QD in patients with r/r non-GCB DLBCL sub-population with double mutations. Stage I will initially enroll 28 patients and if ORR is observed in at least 11 patients, then this study will progress to Stage II. Primary endpoint is ORR and secondary endpoints include safety, tolerability, DOR, PFS and OS. Study protocols for the Phase II study has been submitted by the leading site ethics committee to the Office of China Human Genetic Resource Administration for review and approval in the fourth quarter of 2019.

Study ICP-CL-00111: Phase III, randomized, multi-center study to compare the efficacy and safety of orelabrutinib with standard of care in treatment-naive CLL/SLL patients. The study will consist of two cohorts. Cohort 1 will enroll 216 patients with 1:1 ratio between control and active (orelabrutinib) arms. The regime for orelabrutinib is 150 mg QD; cohort 2 will enroll 50 treatment-naive patients with *17p* deletion for dose administration of orelabrutinib at 150 mg QD. Primary study endpoints include IRC-assessed PFS (cohort 1) and ORR (cohort 2, Del 17p). Secondary endpoints include safety, ORR and DOR, PFS, OS, and MRD. Planned enrollment for this study is a total of 266 patients. The IND application for this study has been submitted for CDE approval and study protocol will be finalized after CDE review.

Study MIL62-CT03: Phase I study in r/r FL patients in China to investigate orelabrutinib in combination with MIL62, a next-generation CD20 antibody. This study has been initiated in the fourth quarter of 2019.

We are also conducting the following trial in the U.S. to evaluate orelabrutinib in patients with B-cell malignancies:

Study ICP-CL-00107: Phase I, multi-center, open-label, dose escalation study to assess the safety, tolerability and pharmacokinetics of orelabrutinib in patients with r/r B-cell malignancies. The starting dose is 100 mg QD and will be escalated to 150 mg QD subject to dose limiting toxicities. Primary endpoints are the MTD and RP2D for orelabrutinib; secondary endpoints include safety, tolerability, PK and ORR, DOR. This study has received IND approval from the FDA and patient enrollment has begun.

We also plan to evaluate orelabrutinib in patients with SLE. For details, please refer to "— Orelabrutinib for Autoimmune Diseases — Clinical Development Plan."

Orelabrutinib for Autoimmune Diseases

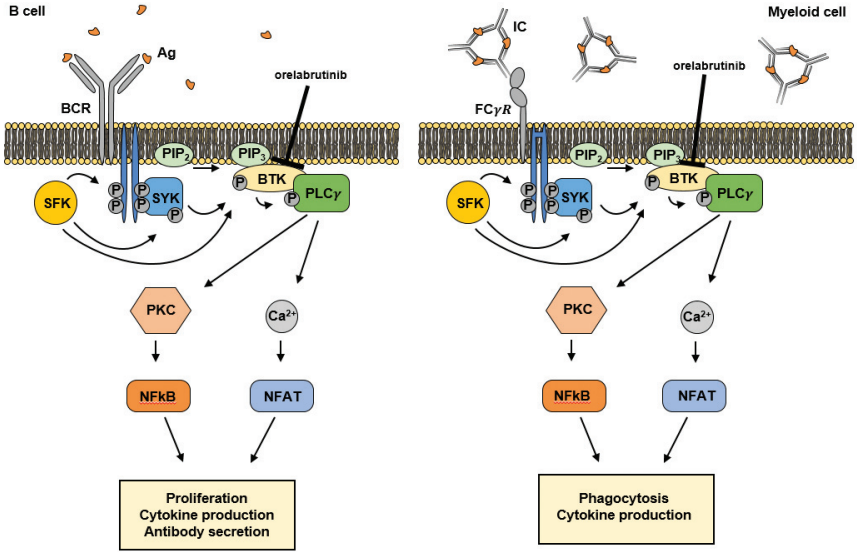
Because of its selectivity and safety profile, we are also evaluating orelabrutinib as a novel therapy for the treatment of SLE and other autoimmune diseases.

Mechanism of Action

BTK is a promising target for the treatment of autoimmune diseases such as RA and SLE due to its role in mediating both B-cell and Fc receptor signaling. In autoimmune diseases like RA and SLE, the strong B-cell component is paired with activation of innate immune cells. Specifically, BTK plays key roles in both B-cells and macrophages, which are the two major cell types contributing to SLE pathogenesis.

Studies have shown that inhibition of BTK signaling significantly impacts multiple key effector pathways that contribute to SLE, which has important implications for the treatment of SLE patients.

The diagram below illustrates the proposed mechanism of action of orelabrutinib in SLE:



Adapted from: "Bruton's tyrosine kinase inhibitors for the treatment of rheumatoid arthritis" by Jennifer A. Whang and Betty Y. Chang. 2014 Aug. 19(8):1200-4. doi: 10.1016/j.drudis.2014.03.028.

Market Opportunity and Competition

Systemic Lupus Erythematosus (SLE) is a chronic inflammatory condition in which the body's tissues are attacked by the immune system. SLE can potentially lead to serious organ complications.

There is significant market potential for BTK inhibitors for SLE treatment. Based on Frost & Sullivan analysis, the global SLE prevalence reached 7.6 million in 2018 and is expected to reach 8.6 million by 2030. The prevalence of SLE in China reached 1.02 million in 2018 and is expected to reach 1.09 million by 2030.

The global SLE therapeutic market grew at a CAGR of 12.4% from 2014 to 2018 reaching US$1.2 billion in 2018, and is expected to further expand at a CAGR of 21.2% from 2018 to 2030, reaching US$12.0 billion in terms of sales in 2030, according to Frost & Sullivan. The SLE therapeutic market in China grew at a CAGR of 7.3% from 2014 to 2018 reaching RMB1.4 billion in 2018, and is expected to further expand at a CAGR of 21.7% from 2018 to 2030, reaching RMB14.9 billion in terms of sales in 2030.

SLE places a substantial economic burden on patients with diagnosis, treatment and rehabilitation expenses, reaching up to US$70,000 annually per patient. SLE treatment-related expenditures are often further compounded by development of organ dysfunction, such as lupus nephritis, and of other chronic diseases. Indirect costs that include loss in economic productivity and diminished social functions, such as childcare and domestic activities, can reach up to US$18,000 annually per patient and impose an additional burden upon SLE patients.

There are four main treatments for SLE, including nonsteroidal anti-inflammatory drugs, corticosteroids, antimalarial drugs and biological therapy. The existing treatment options for SLE patients remain limited and are either ineffective, inconvenient or poorly tolerated in a sizeable group of patients. The use of corticosteroids and immunosuppressants is associated with severe side effects, such as increased risks of infection and osteoporosis for SLE patients. The only approved targeted therapy for SLE, belimumab, has also shown modest efficacy and needs to be administered by injection. Inhibition of BTK signaling pathways may be a promising treatment option for SLE patients.

As at the Latest Practicable Date, there are no BTK inhibitors for SLE treatment approved in the global market. Besides orelabrutinib, other BTK inhibitor candidates are under clinical development for SLE treatment, including fenebrutinib from Roche and evobrutinib from Merck KGaA.

The following table sets forth comparisons between orelabrutinib and other BTK inhibitor candidates for SLE treatment at clinical stage:

Generic Name/Drug Code	Company	Global Filing Status
Orelabrutinib	InnoCare	Phase I
Fenebrutinib	Roche	Phase II
Evobrutinib	Merck	Phase II
ABBV-105	AbbVie	Phase II
BIIB068	Biogen	Phase I
AC0058	ACEA Pharma	Phase I
SN1011	SinoMab	Phase I

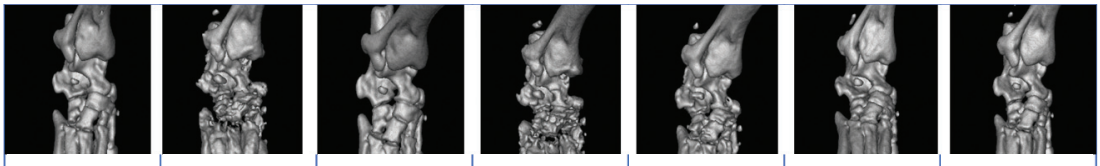
Source: Frost & Sullivan Analysis

Summary of Pre-clinical Data

Available data from our animal models reveal a robust efficacy profile for orelabrutinib in both SLE and RA.

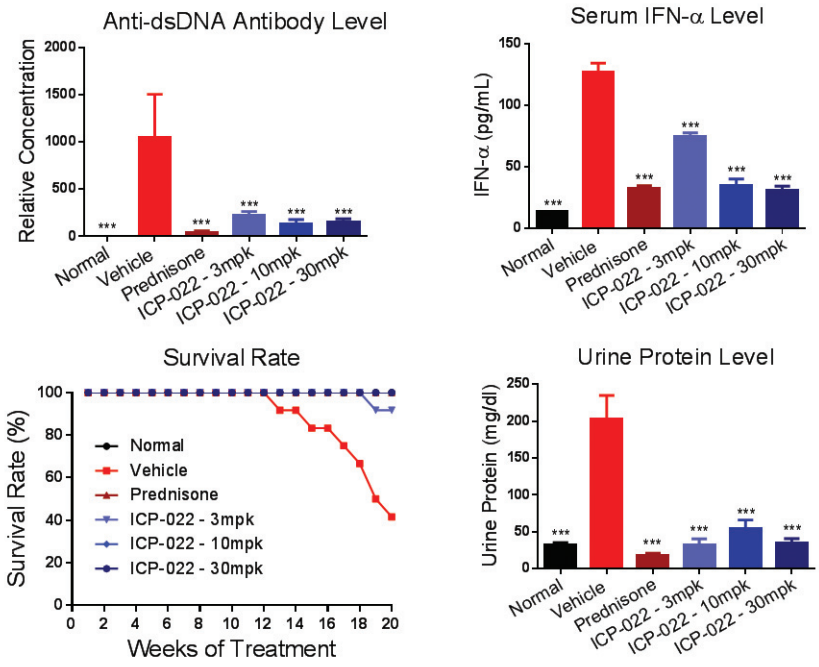
Histological morphology of rat ankle joints demonstrated a dose-dependent protection from joint damage, including ankle inflammation, pannus formation, cartilage degradation and bone resorption. The bone-protective effect was further confirmed by micro-computed tomography analysis, which showed orelabrutinib markedly reduced erosive bone changes and prevented bone loss, whereas the vehicle-treated group showed severe and widespread bone loss.

Representative micro-computed tomography images of rat ankle joints



The MRL/lpr mouse is one of the best-studied mouse models for spontaneous SLE where *lpr* mutation accelerates the predisposition of MRL mice for developing autoimmunity with many of the SLE features observed in humans. In a six-month study, orelabrutinib dramatically reduced inflammation and improved survival rate and kidney function of treated MRL/lpr animals. Efficacy was demonstrated at doses as low as 3 mg/kg QD, and complete disease protection was achieved at 10 mg/kg QD and 30 mg/kg QD. Survival protection in treated animals was observed in a dose-dependent manner. Correspondingly, anti-dsDNA and pro-inflammatory cytokine interferon (IFN)-α levels were also reduced in a dose-dependent manner.

Orelabrutinib efficacy in SLE mouse model

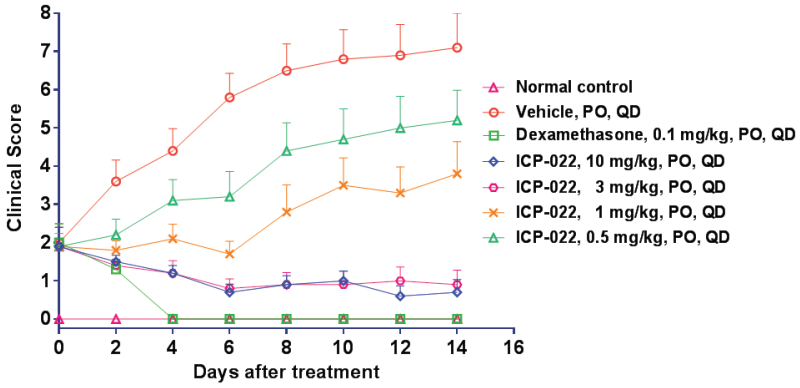


Abbreviations: Anti-dsDNA = Anti-double-standard DNA; mpk = mg/kg.

A similar effect was observed in a pristane-induced SLE mouse model with dose-dependent inhibition of lupus-related arthritis and improved kidney function. The pristane-induced SLE mouse model is one of the most widely used murine models for induced lupus-like disease with immune complex glomerulonephritis, mild erosive arthritis and many lupus-associated autoantibodies. The efficacy of orelabrutinib at 3 mg/kg QD and 10 mg/kg QD was comparable to ibrutinib at 30 mg/kg QD measured by arthritis score. Orelabrutinib at 10 mg/kg QD and 30 mg/kg QD demonstrated a better efficacy profile than ibrutinib 30 mg/kg QD as measured by histopathology scores. Mouse kidneys were collected to assess renal pathology following completion of the study. Immunohistochemical staining was conducted to determine the intensity of IgG expression in the kidney basement membrane and the mesangial compartment. Histopathologic analysis of kidneys obtained from vehicle-treated animals revealed extensive IgG staining, whereas orelabrutinib-treated animals exhibited significantly reduced IgG staining.

In a rat Collagen-Induced Arthritis (CIA) model, one of the most commonly studied autoimmune models of RA, orelabrutinib also showed dose-dependent reduction of pro-inflammatory cytokines, ameliorated arthritis histopathology scores and prevented joint destruction.

Effect of orelabrutinib on clinical scores of arthritis in CIA rat model



For more information on the clinical safety and tolerability profile of orelabrutinib, please refer to "– Study ICP-CL-001."

Clinical Development Plan

We are initiating a Phase Ib/IIa study to evaluate orelabrutinib in combination with standard of care treatment for SLE in China in the first quarter of 2020. Approval from the relevant authority is currently being obtained to start patient enrollment for such trial. Study ICP-CL-00109 is a randomized, placebo-controlled, double-blinded, dose-ranging, Phase Ib/IIa study to identify the optimal dosing regimen and evaluate the safety, tolerability and the biomarker readout of orelabrutinib at 50 mg, 80 mg and 100 mg QD in patients with SLE in China. The primary endpoint is safety and tolerability, the secondary endpoints are efficacy and PK/PD. The safety endpoints include: occurrences of treatment-emergent and treatment-related serious adverse events (TESAE vs. TRSAE); occurrences of treatment-emergent and treatment-related adverse events (TEAEs vs. TRAEs) according to severity; and number of patients with clinically significant vital sign, electrocardiogram and laboratory abnormalities. The efficacy endpoints are rate of SLE Responder Index ("SRI")-4 (4-12 weeks)/treatment arm and rate of SRI-6 (4-12 weeks)/treatment arm. This study has been approved by the CDE and ethics committee.

As at the Latest Practicable Date, no material adverse change has occurred with respect to the regulatory review or approval process of orelabrutinib.

Cautionary Statement required by Rule 18A.05 of the Listing Rules of the Hong Kong Stock Exchange: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ORELABRUTINIB SUCCESSFULLY.

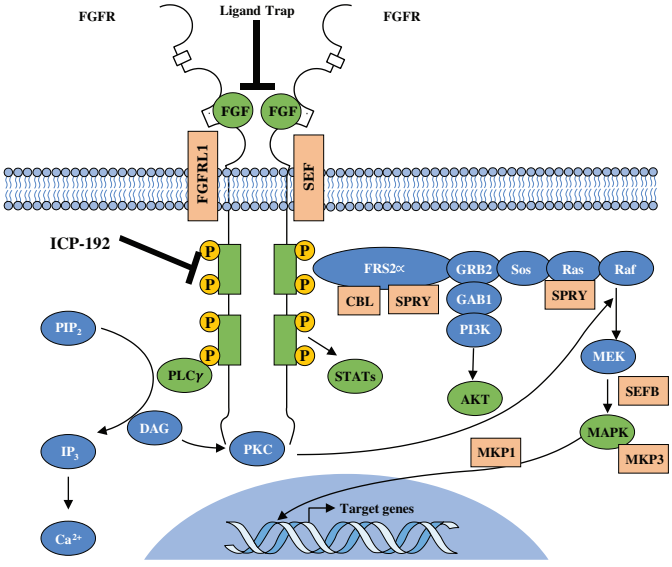
ICP-192

ICP-192 is a potent, highly selective, irreversible small-molecule pan-FGFR inhibitor that we are investigating in clinical studies for the treatment of patients with various types of solid tumors in China. We developed ICP-192 with a unique structure to achieve enhanced anti-tumor efficacy while limiting *in vivo* drug exposure. We are currently conducting a Phase I/IIa study of ICP-192 to define its MTD and/or OBD and PK/PD in patients with solid tumors. Preliminary data from the study reveal a favorable safety profile for ICP-192 and show the compound to be well tolerated by treated patients. The plasma exposure of ICP-192 after a single dose of 8 mg was fourfold of that after a single dose of 2 mg, which suggests the increase of exposure was dose-proportional. The plasma exposure of ICP-192 at 8 mg QD has exceeded the therapeutic exposure of ICP-192 in pre-clinical efficacy studies in xenograft models. Hyperphosphatemia, a PD marker for FGFR inhibition, was consistently observed in treated patients at dose 8 mg QD.

Mechanism of Action

FGFRs are a family of tyrosine kinase receptors, which includes FGFR1-4, that play a key role in the regulation of cell proliferation and cell survival. Pan-FGFR inhibitors that selectively bind to and inhibit FGFRs can block FGFR-related signal pathways and thereby control tumor cell proliferation and tumor cell death.

The diagram below illustrates the mechanism of action of ICP-192:



Adapted from: "Is FGFR an Effective Target in Cholangiocarcinoma?" by Lipika Goyal, Massachusetts General Hospital Cancer Center. 2017 October, and Turner & Grose, Nature Reviews Cancer 2010

Market Opportunity and Competition

FGFRs are tyrosine kinase receptors that regulate important biological processes such as cell proliferation and survival. Because of FGFR signaling pathway's potential driving role in tumor cell proliferation, various FGFR targeting therapies are under development. Mutation and aberrant activation of FGFRs have been implicated with the development of various cancers, including bile duct, breast, lung, head and neck, gastric and urothelial cancer, accounting for approximately 7.1% of solid tumors in 2018.

According to Frost & Sullivan, the overall annual incidence of solid tumors related to FGFR aberrations globally reached 1.21 million in 2018 and has grown at a CAGR of 2.5% from 2014 to 2018. The overall annual incidence is expected to grow at a CAGR of 2.4% from 2023 to reach 1.62 million by 2030. The overall annual incidence in China reached 291,762 in 2018 and has grown at a CAGR of 2.6% from 2014 to 2018, and is expected to grow at a CAGR of 2.1% from 2023 to reach approximately 380,000 by 2030.

As for solid tumors, we will initially develop ICP-192 for the treatment of urothelial cancer and cholangiocarcinoma, two prevalent indications that we believe have significant market opportunity in China.

Urothelial cancer, also known as transitional cell carcinoma, is a type of cancer that originates from the urothelial cells, and includes bladder cancer, cancer of the ureter, urethra, and urachus. The most common type of urothelial cancer is bladder cancer. Although urothelial cancer can be treated at an early stage, the treatment method depends on the clinical stage of the cancer and the degree of metastasis. Chemotherapy remains the standard treatment for urothelial cancer but is limited by its side effects. In 2018, there were 494,454 and 74,043 new cases of urothelial cancer globally and in China, respectively, according to Frost & Sullivan.

Cholangiocarcinoma is a group of cancers that begin in the bile ducts that connect the liver, gallbladder and small intestine. Cholangiocarcinoma is usually not detected until it has spread beyond the bile ducts to other tissues, and treatment options depend on the degree of metastasis. Chemotherapy remains to be the standard treatment for cholangiocarcinoma but is limited by its side effects. In 2018, there were approximately 208,150 and 87,295 new cases of cholangiocarcinoma globally and in China, respectively, according to Frost & Sullivan.

As at the Latest Practicable Date, Johnson & Johnson's Balversa (erdafitinib) is the only approved pan-FGFR inhibitor globally. Erdafitinib was approved by the FDA in April 2019 for advanced urothelial cancer. While there are multiple candidates under development, currently there is no marketed pan-FGFR inhibitor in China.

The following table sets forth comparison between ICP-192 and other pan-FGFR inhibitors at clinical stage in China:

Target	Generic Name/ Drug Code	Company	China Filing Status	Indications
FGFR1-4	ICP-192	InnoCare	Phase I	Urothelial cancer, cholangiocarcinoma
	JNJ-42756493	Janssen	Phase III	Urothelial cancer
	EOC317	Bayer, Edding Pharm	Phase I	Solid tumor
	HZB1006	Wuxi AppTec, ZBO	Phase I	HCC
FGFR1-3	HMPL-453	Hutchison Medipharma	Phase I/II	Solid tumor
	BGJ-398,NVP-BGJ398	Novartis, BridgeBio	Phase I	Solid tumor
	BPI-17509	Betta	Phase I	Solid tumor
	HH-185,3D185	HaiHe, Medicilon	Phase I	Solid tumor

Source: Frost & Sullivan Analysis

Summary of Pre-Clinical Data

ICP-192 is a highly selective pan-FGFR inhibitor that can bind to FGFR1-4 with IC_{50} of 1.4nM, 1.5nM, 2.6nM and 3.5nM, respectively. Furthermore, ICP-192 demonstrated selective inhibition of FGFR2 (N549H)/(V564I)/(K659N) with IC_{50} of 1.8nM, 3.1nM and 1.4nM, respectively. While there is no head-to-head comparative study and we have no immediate plans to conduct such study, ICP-192 showed similar inhibitory potency toward FGFR1-4 when compared to the reported data of erdafitinib.

Inhibitory activity of ICP-192 against FGFR kinases

Kinases	IC_{50} (nM)
FGFR1	1.4
FGFR2	1.5
FGFR3	2.6
FGFR4	3.5
FGFR2 (N549H)	1.8
FGFR2 (V564I)	3.1
FGFR2 (K659N)	1.4

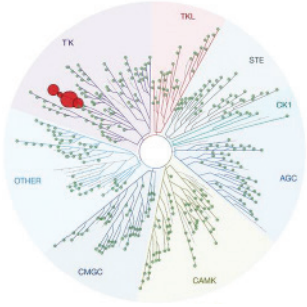
Inhibitory activity of erdafitinib against FGFR kinases

Kinases	IC_{50} (nM)
FGFR1	1.2
FGFR2	2.5
FGFR3	3
FGFR4	5.7
FGFR2 (N549H)	NA
FGFR2 (V564I)	NA
FGFR2 (K659N)	NA

Source: Perera et al, *Molecular Cancer Therapeutics* 2017, 16, 1010.

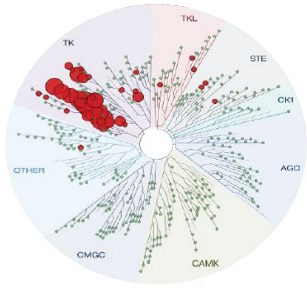
At 1 μM concentration against 468 kinases in a KINOMEscan assay, ICP-192 inhibited only FGFR1-4 by >90% and showed no obvious inhibition of other kinases.

ICP-192



While there is no head-to-head comparative study, the different times a study was conducted and the relevant study design and protocols may make data not directly comparable, ICP-192 showed greater target selectivity than the reported data of erdafitinib, which inhibited not only FGFR1-4 but also over a dozen other kinases at 1 μM concentration. Currently we have not conducted any head-to-head comparative study of ICP-192 against erdafitinib and we do not have any immediate plans to conduct such study.

Erdafitinib

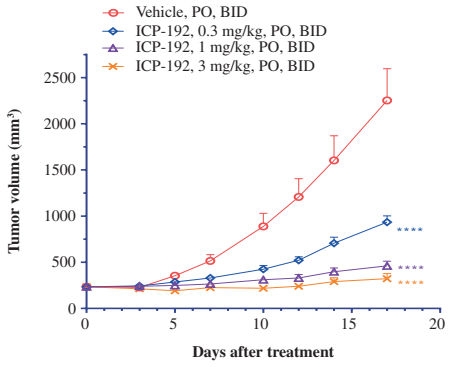


Source: Perera T. et al, *Molecular Cancer Therapeutics* 2017, 16(6), 1010-20. Doi: 10.1158/1535-7163.MCT-16-0589.

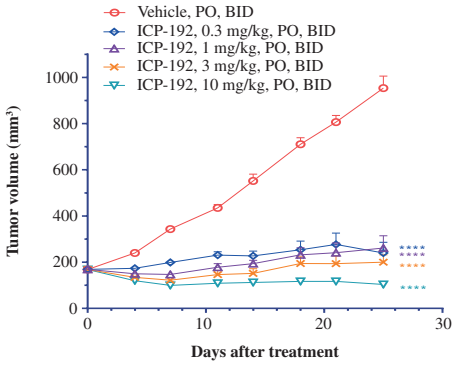
ICP-192 also demonstrated a favorable safety profile in xenograft models. Not only was the MTD shown to be substantially higher than the effective dose, a 14-day continuous administration to rats also demonstrated no apparent toxicity. Efficacy was observed in lung, gastric, urothelial and liver cancer models where animals were treated with ICP-192. In an SNU-16 xenograft tumor model, ICP-192 demonstrated significant anti-tumor response at the dosage level from 0.3 mg/kg BID. Also, an Hep3B xenograft model, a decrease in tumor volume was observed at the dosage level of 10 mg/kg BID.

ICP-192's efficacy shown in multiple tumor models harboring FGFR abnormalities

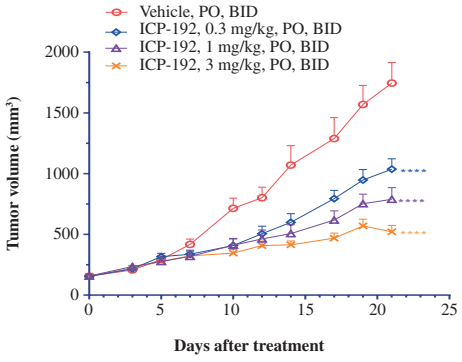
NCI-H1581 lung cancer model



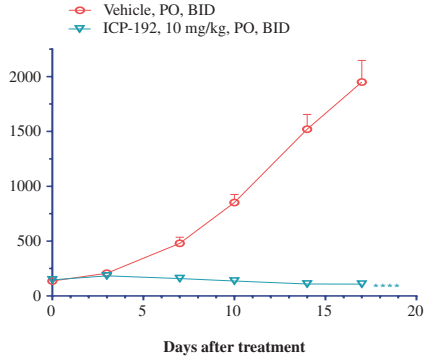
SNU-16 gastric cancer model



RT112 urothelial cancer model



Hep3B liver cancer model



Summary of Clinical Trial Data

Study ICP-CL-00301 Phase I/IIa in patients with solid tumors

Study ICP-CL-00301 is an open-label, multi-center two-stage Phase I/IIa study in China. Stage I of the study is the dose escalation portion for defining the MTD and/or OBD and PK/PD in patients with solid tumors. Stage II of the study is the dose expansion portion for investigating the safety, tolerability and preliminary efficacy of ICP-192 in patients with cholangiocarcinoma with FGFR2 fusions. We will initiate a separate Phase II trial in parallel with urothelial cancer with FGFR2/3 genetic alterations.

Trial Design: The primary endpoints of stage I are to assess safety and tolerability of ICP-192 and define the MTD and/or OBD. Secondary endpoints are to assess the PK and PD of ICP-192 in patients with solid tumors. Stage II is designed to assess efficacy, safety and tolerability of ICP-192 in patients with cholangiocarcinoma with FGFR2 fusions. A separate Phase II study in patients with urothelial cancer with FGFR2/3 genetic alterations will be initiated in parallel after the MTD/OBD have been identified.

Trial Status: Patients were enrolled into sequentially escalating dose cohorts (2, 4, 8, 10 and 12 mg) with a daily dosing schedule of 21-day cycles. As of the data cut-off date of December 3, 2019, 15 patients with solid tumors have been treated with ICP-192 at dosage levels ranging from 2 mg to 12 mg, QD. The plasma exposure of ICP-192 increased with dose and suggests the pharmacokinetics of ICP-192 is linear. The plasma exposure of ICP-192, at 8 mg QD, has exceeded the therapeutic exposure of ICP-192 in pre-clinical efficacy studies in xenograft models. Hyperphosphatemia, a PD marker for FGFR inhibition, was consistently observed in patients treated with 8 mg QD or higher. The majority of AEs reported by investigators were Grade 1 or 2 and no treatment-related DLT was reported. Dose escalation remains ongoing.

Clinical Development Plan

Translational Medicine: We plan to collect further data to assess whether ICP-192 will be a potential treatment option for patients with FGFR1-4 aberrations in combination therapy. We are currently conducting a Phase I/IIa study of ICP-192 to define its MTD and/or OBD and PK/PD in patients with solid tumors. After MTD and/or OBD is identified, we will advance the current Phase I/IIa study from the dose escalation stage (Phase I) to its Phase IIa stage with the selected regimen. During this Phase IIa study, we will mainly focus on evaluating the safety and efficacy of ICP-192 in patients with cholangiocarcinoma with FGFR2 fusions. A separate Phase II study of ICP-192 to assess its safety and efficacy in patients with urothelial cancer with FGFR2/3 genetic alterations will be initiated in parallel. In addition, we are also actively seeking ways to investigate ICP-192 in combination with therapeutic agents such as immune checkpoint inhibitors.

Clinical Development: With positive outcomes from translational medicine research, we expect to expand our clinical efforts seeking registration-enabling opportunities. In addition, we plan to initiate several open-label, Phase II studies to evaluate the safety and efficacy of ICP-192 for additional indications, including gastric cancer and HCC. We intend to evaluate data for different patient subsets to fully explore ICP-192's therapeutic potential.

Depending on the data, we will also consider initiating a two-stage study in the U.S. Stage I will be an abbreviated bridging dose escalation portion to define RP2D, and stage II will be the dose expansion portion in patients with promising indications. Depending on future needs, we may seek to further develop ICP-192 through collaborations or strategic alliances. We expect to initiate the Phase II trials by the second quarter of 2020.

Cautionary Statement required by Rule 18A.05 of the Listing Rules of the Hong Kong Stock Exchange: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ICP-192 SUCCESSFULLY.

ICP-105

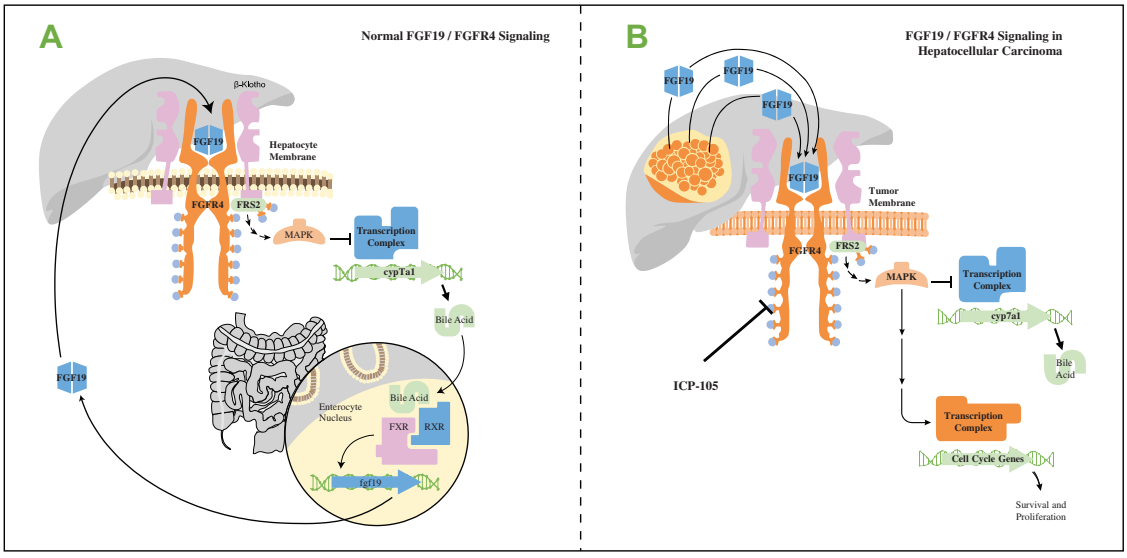
ICP-105 is a potent, highly selective small-molecule FGFR4 inhibitor that we are investigating in clinical programs in China. ICP-105 is primarily being developed for the treatment of advanced HCC with FGFR4 pathway overactivation. We are currently assessing the safety and tolerability of ICP-105 in the dose escalation portion of a Phase I study in solid tumor patients. Preliminary data from the study demonstrates a favorable safety profile for ICP-105 and shows the compound to be well tolerated. We believe ICP-105 is potentially a first-in-class FGFR4 inhibitor in China for the treatment of HCC patients with FGFR4 pathway overactivation.

Mechanism of Action

FGFR4 is a tyrosine kinase receptor that plays a key role in the regulation of cell proliferation, metabolism and bile acid biosynthesis. Aberrant activation of FGFR4 is associated with the overexpression of its ligand FGF19 in hepatocytes. Such activation has been found to drive cancer development and solid tumor growth. FGFR4-specific inhibitors suppress the aberrant activation of FGFR4 and inhibit FGFR4-mediated signaling, leading to an inhibition of cell proliferation in FGF19-overexpressing tumors cells.

ICP-105 is a highly selective FGFR4 inhibitor that can effectively bind to FGFR4, inhibit FGF19-overexpression mediated activation of FGFR4 signaling in HCC and exert its anti-neoplastic effect by blocking the activation of the downstream ERK signaling pathway.

The diagram below illustrates the mechanism of action of ICP-105:



Adapted from: "The Novel FGFR4 Inhibitor INCB062079 Is Efficacious in Models of Hepatocellular Carcinoma Harboring FGF19 Amplification" by Bruce R. et al. 2017. Cancer Research. 77. 1234-1234. 10.1158/1538-7445.AM2017-1234

Market Opportunity and Competition

Liver cancer has the fourth highest incidence among all cancers and was the second-leading cause of death from cancer in China in 2018, according to Frost & Sullivan. The most common type of liver cancer is HCC. HCC is one of the most lethal cancers and the third-most-common cause of cancer-related deaths worldwide.

Global new cases of HCC reached 756,972 in 2018 and is expected to reach 1.0 million in 2030, at a CAGR of 2.4%. New cases of HCC in China reached 360,181 in 2018 and is expected to reach approximately 473,000 in 2030, at a CAGR of 2.3%, according to Frost & Sullivan.

Despite advances in the treatment of HCC, including approvals of nivolumab and prior approvals of the multi-kinase inhibitors including sorafenib and regorafenib, there is a significant unmet need for new treatments for HCC, including FGFR4-driven HCC.

Sorafenib, which is approved by the U.S. FDA as a first-line treatment for advanced HCC, is a multi-kinase inhibitor that targets VEGFR and many other kinases and exhibits anti-angiogenic effects. Regorafenib is approved by the U.S. FDA as a second-line treatment for advanced HCC based on data from a pivotal trial showing improved median overall survival of 2.8 months and an 11% ORR in patients with documented disease progression following sorafenib treatment. In clinical practice, however, patients often require dose modifications or discontinue therapy with sorafenib and regorafenib due to tolerability issues. There is an unmet need for therapies with a favorable risk-benefit profile and the potential to be used alone or in combination with other approved or emerging therapies for advanced HCC.

The FGFR4 signaling pathway is a promising direction for the development of molecularly-targeted therapy in HCC. Patients with overexpression of FGF19/FGFR4 accounted for 20% of HCC patients, according to Frost & Sullivan.

While several FGFR4 inhibitors are under clinical development, there are currently no marketed FGFR4 inhibitors globally. The following table sets forth current clinical status of FGFR4-inhibitors in China:

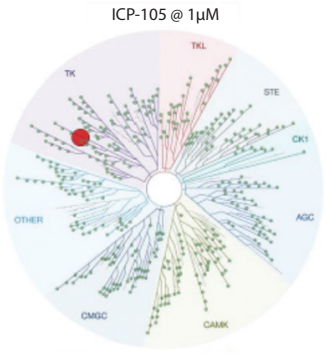
Generic Name/Drug Code	Company	China Filing Status	Indication
ICP-105	InnoCare	Phase I	HCC
CS3008/BLU-554	CStone/Blueprint	Phase I	HCC

Source: Frost & Sullivan Analysis

Summary of Pre-Clinical Data

ICP-105 inhibits the activity of the FGFR4 kinase with an IC_{50} of 0.93nM, and the inhibitory effects of ICP-105 on other subtypes of FGFR family, including FGFR1, FGFR2 and FGFR3, are several thousand times weaker than that on FGFR4. As illustrated in the dendrogram below, in a KINOMEscan assay against 468 kinases, ICP-105 at a concentration of 1 μM inhibited FGFR4 only by >90% and showed no obvious inhibitions of other kinases.

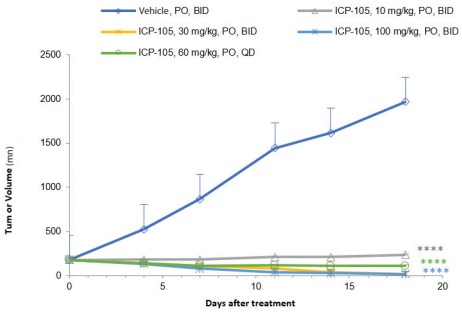
ICP-105



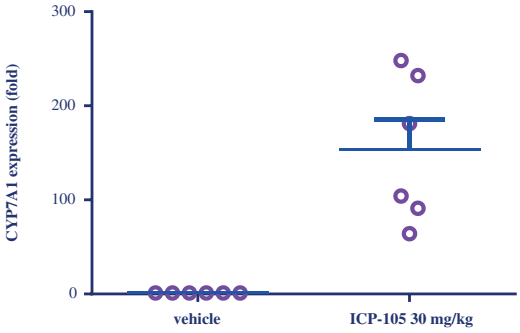
ICP-105 also demonstrated a favorable tolerability profile in animal studies in SD rats and beagles, two of the most common animal models for toxicity assessment. ICP-105 showed no significant toxicity at 360 mg/kg (HED: 4064 mg/day) and no significant increase in AST/ALT in SD rats. ICP-105 showed no significant toxicity at 180 mg/kg (HED: 7000 mg/day), or significant increase in AST/ALT in beagles.

Anti-tumor efficacy of ICP-105 was evaluated in HCC xenograft models where tumor growth is driven by FGFR4 signaling. At a dose of 10 mg/kg, BID, ICP-105 induced CRs in a subset of mice for at least 18 days after cessation of treatment. At a dose of 30mg/kg and beyond, BID, ICP-105 inhibited tumor growth completely. At the dose of 30 mg/kg, significant induction of CYP7A1 expression was seen. As FGFR4 and its ligand, FGF19, down-regulate the expression of CYP7A1, induction of CYP7A1 expression suggests inhibition of FGFR4 signaling. A correlation between the concentration of ICP-105 in mouse plasma and the level of expression of CYP7A1 was also observed in an HCC xenograft model in the same study. The correlation between ICP-105 plasma concentration, level of induction of CYP7A1 expression and anti-tumor efficacy suggests that the observed anti-tumor response is due to the inhibition of FGFR4 signaling.

Tumor size reduction in HCC mouse model after ICP-105 administration



CYP7A1 gene expression induced by ICP-105 in HCC mouse model



Summary of Clinical Trial Data

Study ICP-CL-00201 Phase I study in patients with solid tumors

Study ICP-CL-00201 is a Phase I open-label, dose escalation study to characterize the MTD and/or OBD in patients with solid tumors in China.

Trial Design: The dose escalation stage was conducted in patients with solid tumors. The primary endpoints are safety and tolerability of ICP-105. The secondary endpoints are PK and PD of ICP-105.

Trial Status: Planned enrollment for this study is a total of 54 patients. As of the data cut-off date of December 3, 2019, 19 patients had been treated with ICP-105 following a 3+3 dose escalation design. Eight cohorts of patients with solid tumor were evaluated at dosage levels ranging from 20 mg to 450 mg BID. The study is still at dose escalation stage.

Efficacy Data: As of the data cut-off date of December 3, 2019, efficacy data are not yet available.

Safety Data: As of the data cut-off of December 3, 2019, a total of 19 patients were dosed and evaluated in this study. The majority of AEs reported by investigators were Grade 1 or 2. No treatment-related DLT, nor treatment-related SAE, was reported.

Clinical Development Plan

Translational Medicine: We plan to collect further data to assess whether ICP-105 will be a potential treatment option for HCC patients with FGFR4 pathway overactivation either as a monotherapy or as combination therapy. To accelerate the development process, we are conducting a Phase I study for ICP-105 to define MTD and/or OBD in patients with solid tumors. We plan to open a Phase II study with the selected MTD or OBD to evaluate the efficacy and safety of ICP-105 in HCC patients with FGFR4 pathway overactivation. We are monitoring the selected PK/PD endpoints of ICP-105 along with the efficacy and safety data to analyze *in vivo* biological activity and map out therapeutic windows. We are also planning to investigate ICP-105 with potential combination-therapy agents to further explore the therapeutic potential of ICP-105.

Clinical Development: We plan to initiate an open-label, potential registration-enabling study to evaluate the safety and efficacy of ICP-105 if the results generated from early clinical studies are positive. Depending on the data, we will explore the potential of ICP-105 in combination therapies. We will also consider initiating a two-stage study in the U.S. to further explore its market and therapeutic potential. Stage I will be an abbreviated bridging dose escalation portion to define RP2D and stage II will be a dose expansion portion in HCC patients with FGFR4 pathway overactivation. We expect to complete the Phase I trial in the first or second quarter of 2020.

Cautionary Statement required by Rule 18A.05 of the Listing Rules of the Hong Kong Stock Exchange: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ICP-105 SUCCESSFULLY.

SELECTED PRE-CLINICAL STAGE DRUG CANDIDATES

In addition to our clinical stage assets, we have six drug candidates at pre-clinical stage, including ICP-723 and ICP-330. We expect to submit IND applications for these six drug candidates in the next 30 to 36 months.

ICP-723 is a second-generation small-molecule pan-TRK inhibitor designed to treat patients with NTRK fusion-positive cancers, as well as those refractory to the first-generation TRK inhibitors due to resistant TRK mutations, regardless of tumor types. We plan to submit the IND for ICP-723 to the NMPA in the first quarter of 2020. Upon IND approval, we will initiate clinical trials on multiple cancers types carrying NTRK fusion in China.

ICP-330 is a small-molecule inhibitor of TYK2, a non-receptor tyrosine kinase that mediates immune signaling. TYK2 mediates IL-23, IL-12 and Type I IFN-driven immune and pro-inflammatory signaling pathways that are critical in the cycle of chronic inflammation central to immune-mediated diseases. We plan to develop ICP-330 for the treatment of various T-cell mediated autoimmune disorders, such as psoriasis, IBD and SLE. We plan to submit the IND application for ICP-330 to the NMPA in the second half of 2020.

Cautionary Statement required by Rule 18A.05 of the Listing Rules of the Hong Kong Stock Exchange: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ANY OF THE ABOVE PRE-CLINICAL STAGE DRUG CANDIDATES SUCCESSFULLY.

INTELLECTUAL PROPERTY ASSIGNMENT FROM BIODURO SHANGHAI

On May 5, 2015, InnoCare Beijing Nuocheng, entered into an intellectual property assignment agreement (the "BioDuro Agreement") with BioDuro Shanghai, concerning the irrevocable sale, assignment and transfer of worldwide intellectual property rights related to (1) aromatic amide derivatives and their preparation and use in medicine; (2) substituted nicotinamide inhibitors of BTK and their preparation and use in the treatment of cancer, inflammation and autoimmune disease; (3) aromatic amide derivatives and their preparation

and use in medicine; and (4) kinase inhibiting compounds (collectively, the "BioDuro Assigned Products") from BioDuro Shanghai, as assignor, to us, as assignee. The BioDuro Agreement provides InnoCare Beijing Nuocheng with worldwide intellectual property rights including all granted patents, patent applications, technical knowledge and priority claims based on the inventions, creations and designs of BioDuro Assigned Products, enabling us to research and develop new drugs related to BioDuro Assigned Products. Orelabrutinib (ICP-022) is the only product candidate currently qualified as the BioDuro Assigned Products. While working at BioDuro, some of our current core team members, including Dr. Jisong Cui, Dr. Xiangyang Chen, Dr. Richard Liu, Dr. Renbin Zhao and Mr. Bright Wang, were part of the team that discovered the BioDuro Assigned Products. Dr. Cui, our Chief Executive Officer, served as chief executive officer and chief scientific officer at BioDuro LLC. from August 2011 to August 2015. Dr. Chen, our Chief Technology Officer, served as the executive director of medicinal chemistry from January 2011 to September 2015. Dr. Liu, our Head of Biology and Procurement, served as senior director of discovery biology of BioDuro from April 2011 to November 2015. Dr. Zhao, our Executive Director of Biology and Clinical Development Strategy, served as director of discovery biology of BioDuro from March 2013 to August 2015. Mr. Wang, our Executive Director of Human Resources and Operations, served as senior director of human resources of BioDuro from April 2012 to August 2015. Dr. Cui was the team leader in the discovery process of orelabrutinib (ICP-022), who was responsible for overseeing the whole development process, and Dr. Chen played a key role in discovering and investigating the chemical composition of orelabrutinib (ICP-022). None of them currently holds any interest in Bioduro Shanghai. Dr. Xiangyang Chen, our Chief Technology Officer, and Dr. Yingxiang Gao, our Assistant Director of Chemistry, were listed as inventors and hold collective inventorship to the PCT application for the BioDuro Assigned products filed in China together with three other people. The other three inventors are not related to us, and since the patent ownership has been fully transferred to our Company, there will be no such circumstances where the inventorship may affect the Company's entitlement to the intellectual property rights of orelabrutinib (ICP-022). Substantially all of the pre-clinical and IND enabling studies and clinical development activities relating to orelabrutinib (ICP-022) are conducted by us in house. We outsourced a limited portion of pre-clinical and clinical development activities to certain service providers, such as BioDuro Shanghai. BioDuro Shanghai was involved in the discovery and early pre-clinical studies of orelabrutinib before it was transferred to us in 2015.

Under the BioDuro Agreement, BioDuro Shanghai is entitled to receive an upfront payment and milestone payments, which we have paid in full in 2018.

In addition, subject to the terms of the BioDuro Agreement, we will be obligated to share with BioDuro Shanghai a single-digit percentage of any licensing fee if we out-license any intellectual property rights under the BioDuro Agreement outside of Greater China (including Hong Kong, Macau and Taiwan). We will also be obligated to share with BioDuro Shanghai a single-digit percentage of the annual net after-tax sales outside of Greater China (including Hong Kong, Macau and Taiwan) of any BioDuro Assigned Products.

As set forth in the BioDuro Agreement, either party may terminate the BioDuro Agreement in the event of the other party's uncured material breach after a 30-day grace period, or under specified circumstances relating to the other party's insolvency. We have the right to terminate the BioDuro Agreement if there is any breach of representations and warranties by BioDuro Shanghai, including BioDuro Shanghai not being entitled to full rights of the BioDuro Assigned Products and incomplete assignment and transfer to us of any intellectual property rights and information relating to the BioDuro Assigned Products. As we have become the owner of the worldwide intellectual property rights related to the BioDuro Assigned Products, we believe there would be no material adverse impact on our business prospects or financial position if BioDuro Shanghai terminates the BioDuro Agreement.

To the best of our knowledge, BioDuro Shanghai is an Independent Third Party, which has no other past or present relationship with the Group, its directors, shareholders, senior management and their associates. It occasionally provides CRO service to our Company on an as-needed basis in the ordinary course of our business and at arm's length.

OUR PLATFORM

We have built a biopharmaceutical platform with the aim of identifying drug candidates against evidence-based and novel targets with first-in-class and/or best-in-class potential, increasing the speed of development and likelihood of success while reducing the cost of development. Our platform covers a wide spectrum of drug discovery and development functionalities for our drug candidates in the fields of oncology and autoimmune diseases. Our platform facilitates collaboration among different functional groups and feeds into early discovery and research to cultivate promising targets with clinical and commercial potential.

Our platform integrates all the necessary capabilities to streamline our target-to-market timeline. These capabilities will be housed in five main functional units: target identification, drug discovery, clinical development, manufacturing and commercialization. These individual functional units have been optimized and great attention has been given to building cross-function integration at key points in the lifecycle of a drug candidate.

The following chart illustrates the five main functional units of our platform:

Note:

(1) Currently under development.

RESEARCH AND DEVELOPMENT

We believe that R&D is key to driving our therapeutic strategy and maintaining our competitiveness in the biopharmaceutical industry. We are dedicated to enhancing our pipeline by leveraging our world-class in-house R&D capabilities, which spans drug discovery and development. Our team has discovered and developed our current pipeline of nine highly-differentiated and/or novel drug candidates within less than four years, including one candidate with an NDA for r/r CLL/SLL submitted and accepted for review by and an NDA for MCL submitted to the NMPA, two candidates in Phase I/II trials and six candidates at the IND-enabling stage.

As of the Latest Practicable Date, our drug discovery team consisted of approximately 100 employees and our clinical development team consisted of approximately 50 employees. Our drug discovery and clinical development teams work closely with each other to streamline the delivery of our R&D projects and have cross-disciplinary expertise in a variety of fields, including chemistry, biology, pharmacology, toxicology, structural biology and translational and clinical research. We have established a panoramic range of in-house drug discovery capabilities, including molecule design and optimization, biochemical and cellular drug activity profiling, drug metabolism and pharmacokinetic analysis, *in vivo* assessment of drug efficacy, PK/PD property and toxicity. The clinical development unit of our platform manages substantially all stages of clinical trials, including clinical trial design, implementation, production of drug-candidate samples used, and the collection and analysis of trial data. Our in-house R&D capability is supplemented with collaboration with world-class experts, Dr. Yigong Shi and Dr. Zemin Zhang. For details, please see "– Exclusive Strategic Collaboration Agreements".

We have strategically located our R&D centers in Beijing and Nanjing to provide us with the latest industry advancements and access to local talent pools. Our Beijing R&D center spans approximately 8,300 m^2 and is equipped with not only modern chemistry, biology and CMC labs, but also an 800 m^2 AAALAC standard vivarium that allows us to develop *in vivo* animal models for drug efficacy evaluation, and conduct PK and early safety assessment. Our Nanjing R&D center has 3,350 m^2 lab space and houses a state-of-the-art solid-state research lab for polymorph screening and for supporting crystallization process development and drug physical stability studies.

For the years ended December 31, 2017 and 2018 and the nine months ended September 30, 2019, our R&D expenses were RMB62.9 million, RMB149.7 million and RMB147.7 million, respectively.

Pre-clinical Development

Our drug discovery team is led by Dr. Jisong Cui, our co-founder and CEO, who brings more than 20 years of industry leadership experience, including serving as the former director and chair of the early development team of cardiovascular diseases at Merck Research Laboratories; and Dr. Xiangyang Chen, our Chief Technology Officer, who brings over a

decade of experience as a medicinal chemist. As of the Latest Practicable Date, our drug discovery team consisted of approximately 100 employees, including 20 holding doctorate degrees and 41 holding master's degrees.

We use various discovery and engineering technologies to discover and select our lead compounds with suitable pharmaceutical properties and market potential.

The drug discovery unit of our platform is dedicated to identifying and validating potential therapeutic compounds. The technological approaches we use are summarized below:

- Automated high-throughput screening platform that integrates molecular/phenotypic screening and functional assays to accelerate compound profiling;

- A focused library with 100,000 small molecule compounds to enable rapid-hit identification and structure activity relationship (SAR) initiation;

- Full capability to conduct drug metabolism and pharmacokinetics (DMPK) studies for *in vitro* profiling and *in vivo* pharmacokinetic analysis in support of candidate selection and IND submission; and

- Multiple mouse tumor models covering a wide range of targeted cancer types, including liver, gastric, breast, colorectal and urothelial cancer, and cell-humanized mouse models for immuno-oncology studies in connection with our development of monotherapies or combination therapies.

Our drug discovery team collaborates with our CMC team at an early stage to complement each team's needs and to ensure continued knowledge sharing, regulatory compliance and streamlined transition from discovery to development.

Clinical Development

Our clinical development unit is led by our Chief Medical Officer, Dr. Zhixin Rick Xu, and is divided into a clinical operation department led by Ms. Qian Zhang, our director of clinical operations and a clinical strategy department led by Dr. Renbin Zhao, our Executive Director of Biology. As of the Latest Practicable Date, our clinical development team consists of approximately 50 employees, including three holding doctorate degrees and six holding master's degrees.

The clinical development unit of our platform manages substantially all stages of clinical trials, including clinical trial design, implementation, drug supply, and the collection and analysis of trial data. Our clinical development unit is also responsible for the selection of trial sites. We select trial sites based on multiple factors, including suitability of onsite facilities, availability of qualified staff and availability of research subjects. We have entered into agreements with numerous hospitals and principal investigators located in China, U.S. and Australia that can support our clinical trials of different indications at different stage. We

believe the size and geographic diversity of these facilities provide us with a significant advantage in implementing large-scale clinical trials and also enable us to conduct multiple clinical trials concurrently. We believe our expertise in recruiting clinical trial patients helps us optimize our drug development timeline. With the support of our partner hospitals, we are capable of recruiting participants from specific populations for studies that would otherwise be difficult to fulfill enrollment.

Our clinical development unit also includes a translational medicine function that leverages unique algorithms for biomarker discovery and conducts bioinformatics data processing and analysis to facilitate our clinical studies. We conduct translational research to assess the effectiveness of treatment, evaluate different ways to customize therapies, and improve personalized medicine guidelines using the new data generated. These insights help further guide us toward new directions in novel drug and biomarker discovery.

Our regulatory affairs team, led by Dr. Renbin Zhao, is responsible for the regulatory approval process of our drug candidates, including assembling application dossiers for IND and NDA, addressing inquiries from relevant authorities and monitoring our R&D projects to ensure their compliance with relevant regulations.

We work with highly reputable contract research organizations (CROs) to support our pre-clinical and clinical studies in China. See "Business – Suppliers" for details.

Exclusive Strategic Collaboration Agreements

Our in-house R&D capability is supplemented by globally renowned structural biologist Dr. Yigong Shi, our co-founder and President of our Scientific Advisory Board, and cancer genomics expert Dr. Zemin Zhang, our Scientific Advisor. We have entered into an exclusive strategic collaboration agreement with Dr. Yigong Shi and Dr. Zemin Zhang, respectively. Both exclusive strategic collaboration agreements are framework agreements that set out the general principles of the collaboration under which project-specific agreements can be further negotiated and entered into. Under these framework agreements, there are no specific measures or factors to definitively ascertain ownership of intellectual property jointly developed through collaboration. Such determination will be made on a project-by-project basis taking into account all relevant factors. We may not be awarded with the intellectual property generated under the collaboration agreements at all times. Please see the risk factor headed "– Our intellectual property may be subject to further priority disputes or to inventorship disputes and similar proceedings" in the "Risk Factors" section for details on relevant risks.

Professor Shi Collaboration Agreement

The exclusive strategic collaboration agreement (the "Professor Shi Collaboration Agreement") between Dr. Yigong Shi and us was renewed in August 2018. Unless terminated earlier upon mutual agreement, the Professor Shi Collaboration Agreement has a term of three years, which may be renewed in good faith where both parties may enter into further collaboration agreements in relation to product research and development and the relevant technological support services, subject to arm's-length negotiations upon the expiration of the initial term.

Pursuant to the terms of the Professor Shi Collaboration Agreement, Dr. Shi will provide assistance and guidance in issues presented in new drug discovery for a fee, including crystallization screening for proteins, protein structural analysis, protein functional analysis, and optimized binding of target proteins and candidate compounds, as well as selection of drug targets, especially with respect to precursor messenger RNA splicing regulatory targets and related family drug targets. Subject to the project's specifics, we will pay collaboration fees to Dr. Shi for the project's R&D and provide relevant technology support. Our nomination committee is responsible for overseeing Dr. Shi's R&D activities and approving the respective fee payments.

The intellectual property generated during the collaboration process will be assigned to the party who is responsible for developing it. For intellectual property developed by Dr. Shi under this collaboration agreement, we will enjoy priority in obtaining authorization, license and use right; we may license-in or otherwise be entitled to conduct R&D, production and commercialization based on such intellectual property; for intellectual property developed jointly or by Dr. Shi by using key resources provided by us, the ownership of such intellectual property shall be determined based on mutual agreement or according to law. To those intellectual properties under the Professor Shi Collaboration Agreement and such other mutual agreements thereunder where PRC laws should apply, they will be subject to the Contract Law of the PRC (中華人民共和國合同法), the Patent Law of the PRC (中華人民共和國專利法) as well as other relevant PRC laws and regulations. Such laws and regulations include, among other things, laws and regulations governing inventions created through the collective work of two or more entities or individuals, or made by an entity or individual upon the authorization of another entity or individual. Under such laws and regulations, unless otherwise provided or agreed, the right to apply for intellectual property shall vest in the entity or individual which made the invention, or the entities or individuals which jointly made the invention. Such applicant will become the patentee of the invention upon approval of the application.

The Professor Shi Collaboration Agreement has exclusivity provisions that restrict the ability of Dr. Shi to grant or license out rights to intellectual property generated under this collaboration agreement to a third party, or enter into collaboration with or provide any consultancy, service or assistance to any third party in relation to any project that is similar to, conflicts with or competes with projects that fall under this collaboration agreement, except for pre-existing relationships or with our written consent. As a result, the Professor Shi Collaboration Agreement gives us exclusive access to Dr. Shi's world-class expertise and research capabilities.

Professor Zhang Collaboration Agreement

The exclusive strategic collaboration agreement between Dr. Zhang and us (the "Professor Zhang Collaboration Agreement") was renewed in August 2019. Unless terminated earlier upon mutual agreement, the Professor Zhang Collaboration Agreement has a term of three years, which may be renewed in good faith where both parties may enter into further collaboration agreements, subject to arm's-length negotiations upon the expiration of the initial term. Pursuant to the terms of this collaboration agreement, Dr. Zhang will provide assistance

to us in exploring the relationship between cancer and cancer-specific driver genes and use cutting-edge technologies to support us for the research of tumor heterogeneity and resistance using cutting-edge technologies. Specific resources and efforts to be contributed by Dr. Zhang include, but are not limited to, access to his technical platform, technical support and seminars aiming to solve problems presented during the research. Subject to the project's specifics, we will pay collaboration fees to Professor Zhang for the project's R&D and provide relevant technology support. Our nomination committee is responsible for overseeing Professor Zhang's R&D activities and approving the respective fee payments.

The intellectual property generated during the collaboration will be assigned to the party who is responsible for developing it. For intellectual property developed by Dr. Zhang under this collaboration agreement, we will enjoy priority in getting authorization, license and use right, and may license-in or otherwise be entitled to conduct R&D, production and commercialization based on such intellectual property; for intellectual property developed jointly by both parties or by Dr. Zhang by using key resources provided by the company, the ownership of such intellectual property shall be determined by mutual agreement or according to law. To those intellectual properties under the Professor Zhang Collaboration Agreement and such other mutual agreements thereunder where PRC laws should apply, they will be subject to the Contract Law of the PRC (中華人民共和國合同法), the Patent Law of the PRC (中華人民共和國專利法) as well as other relevant PRC laws and regulations. Such laws and regulations include, among other things, laws and regulations governing inventions created through the collective work of two or more entities or individuals, or made by an entity or individual upon the authorization of another entity or individual. Under such laws and regulations, unless otherwise provided or agreed, the right to apply for intellectual property shall vest in the entity or individual which made the invention, or the entities or individuals which jointly made the invention. Such applicant will become the patentee of the invention upon approval of the application.

The Professor Zhang Collaboration Agreement has exclusivity provisions that prohibit Dr. Zhang to transfer or outsource his rights, obligations, research projects and outcomes to any third party, or enter into collaboration with or provide any consultancy, service or assistance to any third party in relation to any project that is similar to, conflicts with or competitive with projects that fall under this collaboration agreement, except for pre-existing relationships or with our written consent. As a result, the Professor Zhang Collaboration Agreement gives us exclusive access to Dr. Zhang's world-class expertise and research capabilities.

CHEMISTRY, MANUFACTURING AND CONTROL

Our CMC function is an integral part of our R&D. Based in our facilities in Beijing, our CMC team provides pre-clinical and clinical support throughout the drug development process.

- *Pre-Clinical Support.* Our CMC team supports our drug discovery process by providing large-scale intermediates to assist in discovery chemistry, conducting API process and formulation development and optimization, and being responsible for CMC-related work to meet regulatory requirements.

- *Clinical Support.* During the clinical trial stage, our CMC team works with our supply partners to secure high-quality GMP materials and to ensure the timely supply of drug products.

MANUFACTURING

To ensure the timely delivery and quality control of our drug candidates, we are building a 50,000 m^2 manufacturing facility in Guangzhou, China, to manufacture oral solid dose (OSD) small-molecule drugs to fulfill our clinical trial and commercialization needs. Dr. Robin Lu, Vice President of InnoCare Guangzhou, oversees our manufacturing activities and brings over ten years of drug manufacturing experience from the Yangtze River Pharmaceutical Group. As at the Latest Practicable Date, our manufacturing team in Guangzhou consisted of 30 employees.

Our Guangzhou manufacturing facility will feature one commercial-scale OSD production line and two pilot-scale OSD production lines. It is designed to comply with both Chinese and international drug manufacturing standards. The facility covers the entire production process, including spray drying, dispensing, dry granulation, wet granulation and drying, blending, compression, capsule filling, coating, blister packaging, and bottling. We procure our manufacturing equipment from leading international suppliers, and all our manufacturing equipment will be validated following international GMP requirements. We work with industry-leading contract manufacturing organizations (CMOs) to manufacture certain drug substances for clinical supply. See "Business – Suppliers" for further details.

We expect to complete the construction of our Guangzhou manufacturing facility construction by 2020. We plan to acquire a manufacturing license in the second half of 2020, complete test method and process transfer in the first half of 2021, and complete an on-site inspection by the Center for Food and Drugs Inspection of the NMPA in the second half of 2021. We expect our Guangzhou manufacturing facility to be able to satisfy the commercial needs of our clinical stage assets and support the growth of our business for at least next five years.

We are also planning a second-phase expansion for our Guangzhou manufacturing facility to cover an additional 30,000 m^2. We expect the second-phase expansion construction to be completed by 2024.

COMMERCIALIZATION

We have developed our commercialization strategy in a staggered approach corresponding with the launch timeline of orelabrutinib and the clinical and regulatory approval status of our other drug candidates. At launch, we plan to hire more sales and marketing personnel and further expand our commercialization team to about 80 to 90 sales representatives by the end of 2020, covering approximately 300 nationally leading hospitals. If orelabrutinib is included in the NRDL, we plan to expand our commercialization team to approximately 150 sales representatives and cover over 800 top hospitals to support the market

expansion of orelabrutinib. Our marketing plans are currently focused on r/r CLL/SLL and r/r MCL and will expand to cover other indications as the clinical trials progress. Our marketing activities include introducing our drug candidates to doctors, educating key opinion leaders about the competitive advantages of our drug candidates and participating in industry and academic conferences and promoting brand awareness.

We have a seasoned in-house commercialization team with extensive experience in drug launch in China's pharmaceutical market. We have also recruited our sales and marketing leadership members Mr. Yi Zhang and Dr. Zhichao Si, who bring extensive sales and marketing experience in China's hematologic market from Janssen. Mr. Zhang was previously the director of sales in China at Janssen and was responsible for the sales of Imbruvica in China. Dr. Si was previously the therapeutic area leader of hematology at Janssen and was responsible for launching Imbruvica in China.

We expect our commercialization team to cover a majority of provinces and municipalities in China and support the promotion of our other pre-clinical and clinical stage drug candidates after launch.

SUPPLIERS

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

Below is a summary of the key terms of a typical agreement that we enter with our CROs:

- *Services*. The CRO provides us with services such as the implementation and management of clinical research projects as specified in the master agreement or a work order.

- *Term.* The CRO is required to perform its services within the prescribed time limit set out in each work order.

- *Payments.* We are required to make payments to the CRO in accordance with the payment schedule agreed upon by the parties.

- *Risk allocation.* Each party should indemnify the other party for losses caused by its negligence, recklessness, intentional misconduct or material breach of the master agreement or the work order.

We outsource to a limited number of industry-leading CMOs the manufacturing of certain drug substances for clinical supply, and may continue to do so to meet the pre-clinical and clinical development needs. We have adopted procedures to ensure that the facilities and production qualifications of our CMOs are in compliance with the relevant regulatory requirements and our internal guidelines. We select our CMOs based on their qualifications, relevant expertise, production capacity and the terms offered by them.

We procure raw materials and manufacturing equipment from suppliers around the world. We select our suppliers by considering their quality, industry reputation and compliance with relevant regulatory agencies. We have a backup supplier for most raw materials. We use an industry leading CMO as our market authorization holder (MAH) for orelabrutinib, and have signed long-term supply contracts with such CMO, and are in the process of selecting a backup MAH to prepare for commercialization. In accordance with such supply agreement, the CMO is required to manufacture the raw materials and the finished products of orelabrutinib, and complete the respective verification process. The initial term of the agreement is three years, subject to automatic extension if the manufacturing plan has not been accomplished. The supply agreement also requires the CMO to strictly adhere to the relevant CFDA and FDA guidelines, as well as the respective cGMP requirements for manufacturing conditions and manufacturing process.

For the years ended December 31, 2017 and 2018 and the nine months ended September 30, 2019, our purchases from our five largest suppliers in aggregate accounted for 57.2%, 44.0% and 42.9% of our total purchases (including value-added tax), respectively, and purchases from our largest supplier alone accounted for 21.8%, 13.8% and 15.5% of our total purchases (including value-added tax), respectively. Purchases include raw materials, third-party contracting services for research and development purposes, equipment, and administrative services. All of our five largest suppliers during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as at the Latest Practicable Date, has any interest in any of our five largest suppliers during the Track Record Period.

COMPETITION

The pharmaceutical and biotechnology industries are characterized by rapidly advancing technologies, competition and a strong emphasis on proprietary drugs. While we believe our well-known management team, first tier R&D capability, integrated biopharmaceutical platform and robust pipeline of clinical and pre-clinical stage proprietary assets provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, and public and private research institutions. Any drug candidates that we successfully develop and commercialize will compete with existing drugs and new drugs that may become available in the future.

We operate in the segments of the pharmaceutical, biotechnology and other related markets that address oncology and autoimmune diseases. There are other companies working to develop similar therapies in these fields. These companies include divisions of large pharmaceutical companies and biotechnology companies of various sizes.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development of a particular field, manufacturing, pre-clinical testing, clinical trials, obtaining regulatory approvals, and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies or products complementary to, or necessary for, our programs.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer or more effective, have fewer or less severe side effects, are more convenient, or are less expensive than any drugs that we may develop. Our competitors also may obtain NMPA or other regulatory approval for their drugs earlier than we obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. The key competitive factors affecting the success of all of our drug candidates, if approved, are likely to be their efficacy, safety, convenience and price, and the availability of reimbursement from government and other third-party payors.

For more information on the competitive landscape of our drug candidates, please refer to "– Our Drug Candidates."

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. Our insurance policies cover adverse events in our clinical trials, including orelabrutinib, ICP-105 and ICP-192. We do not maintain property loss insurance, product liability insurance or key-person insurance.

EMPLOYEES

The following table sets forth a breakdown of our employees by function as at the Latest Practicable Date:

Function	Number	% of Total
Research	91	46.2
Clinical Development	52	26.4
Manufacturing	18	9.1
Commercial	1	0.5
Others	35	17.8
Total	**197**	**100.0**

As at the Latest Practicable Date, we had 144 employees in Beijing, 30 employees in Guangzhou, Guangdong Province, and 23 employees in other regions of China and overseas. In anticipation of the launch of our pipeline candidates, we plan to further expand our commercialization team to 80 to 90 sales representatives by the end of 2020. See the section headed "Commercialization" for more details.

Employment Agreements with Key Management and Research Staff

We enter into standard confidentiality and employment agreements with our key management and research staff. The contracts with our key personnel typically include a standard non compete agreement that prohibits the employee from competing with us, directly or indirectly, during his or her employment and for up to two years after the termination of his or her employment. The contracts also typically include undertakings regarding assignment of inventions and discoveries made during the course of his or her employment. For further details regarding the terms of confidentiality and employment agreements with our key management, please refer to the section headed "Directors and Senior Management" in this document.

We believe that we maintain a good working relationship with our employees. We believe we have not experienced any significant labor disputes or any significant difficulty in recruiting staff for our operations. None of our employees are currently represented by labor unions.

Training and Development

We provide formal and comprehensive company-level and department-level training to our new employees, which usually takes half a day, followed by on-the-job training, which takes about one month. We also provide training and development programs to our employees from time to time to ensure their awareness and compliance with our various policies and procedures. Given our emphasis on operating an integrated platform for our drug development processes, some of the training is conducted jointly by different groups and departments serving different functions but working with or supporting each other in our day-to-day operations.

Employee Benefits

Our employees' remuneration consists of salaries, bonuses, employees' provident fund, and social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plan, unemployment insurance work-related injury insurance, medical insurance and maternity insurance) and housing funds for our employees. As at the Latest Practicable Date, we had materially complied with statutory social security insurance fund and housing fund obligations applicable to us under Chinese laws in all material aspects.

LAND AND PROPERTIES

We rent a total of 8,657.25 m^2 of combined office and laboratory space in Beijing, China. The relevant rental agreements provide rental terms that expire on May 19, 2020, December 31, 2020, May 31, 2021 and August 3, 2021. We also have the right of first refusal to renew the leases, provided that we notify the lessors three or six months before the expiration of the rental agreement.

We rent a total of 8,534.0 m^2 of combined office space and dormitory apartments for our employees in Guangzhou, China. The office rental agreement provides a rental term that expires on August 14, 2021, and the dormitory rental agreements have expiration dates that range through August 2020.

We rent a total of 3,350 m^2 of laboratory space in Nanjing, China. The relevant rental agreements provide rental terms that expire on May 15, 2021. We also have the right of first refusal to renew the lease, provided that we notify the lessor 30 days before the expiration of the rental agreements. We also rent an 86.6 m^2 office in Shanghai, China. The rental agreement provides a rental term that expires on July 10, 2021. We also have the right of first refusal to renew the lease, provided that we notify the lessor three months before the expiration of the rental agreements.

We also have a land usage right for 83,394 m^2 of industrial land in Guangzhou, China. The relevant contract stipulates that the term is 50 years from the delivery of the land, and the delivery date was July 31, 2019.

INTELLECTUAL PROPERTY

Intellectual property rights are important to the success of our business. Our future commercial success depends, in part, on our ability to: obtain and maintain patent and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business; defend and enforce our patents; preserve the confidentiality of our trade secrets; and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

As at the Latest Practicable Date, we own eight issued patents and 90 patent applications in more than 10 countries and regions, including Australia, China, the U.S., European Union and Japan.

The patent portfolios for our three clinical stage drug candidates as at the Latest Practicable Date are summarized below:

Orelabrutinib (ICP-022): We have eight granted patents and an additional seven national phase patent applications directed to chemical matters that would be expected to expire in 2034. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries. As at the Latest Practicable Date, we were not aware of any concerns or issues raised by relevant authorities regarding granted patents or patent applications relating to orelabrutinib.

ICP-105: We have filed fifteen national phase patent applications based on our PCT application directed to chemical matters that would be expected to expire in 2036 through 2037. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries. As at the Latest Practicable Date, we were not aware of any concerns or issues raised by relevant authorities regarding the patent applications relating to ICP-105.

ICP-192: We have filed twelve national phase patent applications based on our PCT application directed to chemical matters that would be expected to expire in 2037 through 2038. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries. As at the Latest Practicable Date, we were not aware of any concerns or issues raised by relevant authorities regarding the patent applications relating to ICP-192.

The following table summarizes the details of our material granted patents and filed patent applications in connection with our clinical and pre-clinical drug candidates as at the Latest Practicable Date:

Summary of patents and patent applications of our product candidates

Product	Scope of Patent Protection	Jurisdiction (Country/Region)	Status	Applicant/ Patentee	Patent Expiration	InnoCare's Commercial Rights
Orelabrutinib (ICP-022)	Directed to chemical matters	Australia, China, Hong Kong	Granted	InnoCare Beijing Nuocheng	2034	All rights
	Directed to chemical matters	Russia, Singapore, US, Japan	Granted	InnoCare Guangzhou	2034	All rights
	Directed to chemical matters	Canada, EPO, India, Mexico, New Zealand, South Korea	Pending	InnoCare Guangzhou	2034	All rights
ICP-105	Directed to chemical matters	Australia, Canada, China, EPO, Hong Kong, India, Japan, Mexico, Philippines, Russia, Singapore, South Korea, US	Pending	InnoCare Nanjing	2036-2037	All rights

Product	Scope of Patent Protection	Jurisdiction (Country/Region)	Status	Applicant/ Patentee	Patent Expiration	InnoCare's Commercial Rights
ICP-192	Directed to chemical matters	Australia, Canada, China, EPO, Hong Kong, Japan, Mexico, Russia, Singapore, South Korea, US	Pending	InnoCare Beijing Nuocheng	2037	All rights
	Directed to chemical matters	Taiwan	Pending	InnoCare Beijing Tiancheng	2038	All rights
ICP-330	Directed to chemical matters		Pending	InnoCare Beijing Nuocheng	2039	All rights
ICP-723	Directed to chemical matters		Pending	InnoCare Beijing Nuocheng	2038	All rights

Abbreviations: PCT = Patent Cooperation Treaty; EPO = European Patent Office.

Note: Patent expiration date is estimated based on current filing status.

The term of individual patents may vary based on the countries in which they are obtained. In most countries in which we file patent applications, including China and the U.S., the term of an issued patent is generally 20 years from the filing date of the earliest non-provisional patent application on which the patent is based in the applicable country. In the U.S., a patent's term may be lengthened in some cases by a patent term adjustment, which extends the term of a patent to account for administrative delays by the United States Patent and Trademark Office, or USPTO, in excess of a patent applicant's own delays during the prosecution process, or may be shortened if a patent is terminally disclaimed over a commonly owned patent having an earlier expiration date.

In addition, with respect to any issued patents in the U.S. and Europe, we may be entitled to obtain an extension of the patent's term provided we meet the applicable requirements for obtaining such patent term extensions. For example, in the U.S., we may apply for a patent term extension of up to five years as compensation for the patent term lost during clinical trials and the U.S. FDA regulatory review process under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments. The exact duration of the extension depends on the time we spend in clinical studies, as well as getting an NDA approval from the U.S. FDA. However, a patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended, and only those claims covering the approved drug, a method for using or a method for manufacturing it may be extended. In certain other foreign jurisdictions, similar extensions as compensation for regulatory delays are also available.

The actual protection provided by a patent varies on a claim-by-claim and country-by-country basis and depends upon many factors, including the type of patent, the scope of its coverage, the availability of any patent term extensions or adjustments, the availability of legal remedies in a particular country, and the validity and enforceability of the patent. We cannot provide any assurance that patents will be issued with respect to any of our owned or licensed pending patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our owned or licensed issued patents or any such patents that may be issued in the future will be commercially useful in protecting our product candidates and methods of manufacturing the same.

We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with consultants, scientific advisors and contractors, and invention assignment agreements with our employees. We have entered into confidentiality agreements and non competition agreements with our senior management and certain key members of our R&D team, and other employees who have access to trade secrets or confidential information about our business. Our standard employment contract, which we use to employ each of our employees, contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee's work.

These agreements may not provide sufficient protection of our trade secrets and/or confidential information. These agreements may also be breached, resulting in the misappropriation of our trade secrets and/or confidential information, and we may not have an adequate remedy for any such breach. In addition, our trade secrets and/or confidential information may become known or be independently developed by a third party, or misused by any collaborator to whom we disclose such information. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. As a result, we may be unable to sufficiently protect our trade secrets and proprietary information.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. See "Risk Factors – Risks Relating to Our Business – Risks Relating to Our Intellectual Property Rights" for a description of risks related to our intellectual property.

We conduct our business under the brand name of InnoCare. We have filed various trademark applications in China and in other jurisdictions. We are also the registered owner of six domain names.

As at the Latest Practicable Date, we were not involved in any proceedings in respect of, and we had not received notice of any claims of infringement of, any intellectual property rights that may be threatened or pending, in which we may be a claimant or a respondent.

See "Appendix V – Statutory and General Information – Further Information about Our Business – Intellectual Property Rights" in this document for further information.

ENVIRONMENTAL MATTERS AND WORKPLACE SAFETY

We strive to operate our facilities in a manner that protects the environment and the health and safety of our employees, patients and communities. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials, and may also produce hazardous waste products. We have implemented company wide environmental, health and safety (EHS) manuals, policies and standard operating procedures that include management systems and procedures relating to emissions of air, water and other media; waste water generation and treatment; process safety management; handling, use, storage, treatment and disposal of hazardous substances; worker health and safety requirements; third-party safety management; emergency planning and response; and product stewardship.

We have not had any significant workplace accidents in the history of our Company.

We have fully paid two administrative penalties on July 16 and October 22, 2018, for operating our lab without having the environmental facilities examined by the environmental protection department, and without obtaining relevant environmental impact assessment approvals. We have fully paid the fines of RMB200,000 and RMB510,000 for the two penalties, respectively, and have fully resolved this issue.

LEGAL PROCEEDINGS AND COMPLIANCE

As at the Latest Practicable Date, we were not a party to any actual or threatened material legal or administrative proceedings. We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business.

PERMITS, LICENSES AND OTHER APPROVALS

As at the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our current operations.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in general market conditions and the regulatory environment of the Chinese and global biologics markets, our ability to develop, manufacture and commercialize our drug candidates, and our ability to compete with other pharmaceutical companies. See "Risk Factors" for a discussion of various risks and uncertainties we face. We also face various market risks. In particular, we are exposed to credit, liquidity and currency risks that arise in the normal course of our business. See "Financial Information – Market Risk Disclosure" for a discussion of these market risks.

We have adopted a series of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. The following key principles outline our approach to risk management:

- Our Audit Committee will oversee and manage the overall risks associated with our business operations, including (i) reviewing and approving our risk management policies to ensure that it is consistent with our corporate objectives; (ii) reviewing and approving our corporate risk tolerance; (iii) monitoring the most significant risks associated with our business operations and our management's handling of such risks; (iv) reviewing our corporate risk in light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management framework across our Company.

- Our Chief Financial Officer, Mr. Shaojing Tong, will be responsible for (i) formulating and updating our risk management policy and targets; (ii) reviewing and approving major risk management issues of our Company; (iii) promulgating risk management measures; (iv) providing guidance on our risk management approach to the relevant departments in our Company; (v) reviewing the relevant departments' reporting on key risks and providing feedback; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competencies are in place across our Group; and (viii) reporting to our Audit Committee on our material risks.

- The relevant departments in our Company, including but not limited to the finance department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to standardize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) prepare a risk management report annually for our Chief Executive Officer's review; (iv) continuously monitor the key risks relating to their operation or function; (v) implement appropriate risk responses where necessary; and (vi) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board of Directors is responsible for establishing and ensuring effective internal controls to safeguard our Shareholder's investment at all times. Our internal control policies set out a framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis.

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

We have adopted various measures and procedures regarding each aspect of our business operation, such as protection of intellectual property, environmental protection, and occupational health and safety. For more information, see "– Intellectual Property" and "– Environmental Matters and Workplace Safety." We provide periodic training on these measures and procedures to our employees as part of our employee training program. We also constantly monitor the implementation of those measures and procedures through our on-site internal control team for each stage of the drug development process.

Our Directors (who are responsible for monitoring the corporate governance of our Group), with help from our legal advisors, will also periodically review our compliance status with all relevant laws and regulations after the [**REDACTED**]. We established an audit committee in September 2019, which will (i) make recommendations to our Directors on the appointment and removal of external auditors; and (ii) review the financial statements and render advice in respect of financial reporting as well as oversee internal control procedures of our Group.

We have engaged Somerley Capital Limited as our compliance advisor to provide advice to our Directors and management team until the end of the first fiscal year after the [**REDACTED**] regarding matters relating to the Listing Rules. Our compliance advisor is expected to ensure our use of funding complies with the sections entitled "Future Plans and Use of [**REDACTED**]" in this document after the [**REDACTED**], as well as to provide support and advice regarding requirements of relevant regulatory authorities in a timely fashion.

We have engaged a PRC law firm to advise us on and keep us abreast of PRC laws and regulations after the [**REDACTED**]. We will continue to arrange various trainings sessions to be provided by external legal advisors from time to time when necessary, and/or any appropriate accredited institution to update our Directors, senior management and relevant employees on the latest PRC laws and regulations.

We maintain strict anti-corruption policies on personnel with external communication functions. We will also ensure that our commercialization team complies with applicable promotion and advertising requirements, which include restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.

During the Track Record Period, we have regularly reviewed and enhanced our internal control system.

Investment Risk Management

We engage in short-term investments with surplus cash on hand. Our investment portfolio primarily consists of wealth management products and time deposits. Our primary objective of short-term investment is to preserve principal, and increase liquidity without significantly increasing risks. Under the supervision of our Chief Financial Officer, our finance department is responsible for managing our short-term investment activities. Before making any

investment proposal, our finance department will assess our cash flow levels, operational needs and capital expenditures. We operate under a Board approved investment policy, which provides the guidelines and specific instructions on the investment of our funds. Our investment policy is reviewed by the Board on an annual basis.

Our investment strategy aims to minimize risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs. We make our investment decisions on a case-by-case basis after thoroughly considering a number of factors, including but not limited to macro-economic environment, general market conditions and the expected profit or potential loss of the investment. Our portfolio to date have been required to hold only instruments with an effective final maturity of 12 months or less, with effective final maturity being defined as the obligation of the issuer to repay principal and interest. Under our investment policy, we are prohibited from investing in high risk products and the proposed investment must not interfere with our business operation or capital expenditure. As of the Latest Practicable Date, our investment decisions did not deviate from our investment policy.

We believe that our internal investment policies and the related risk management mechanism are adequate. We may invest in wealth management products and time deposits in consistent with our investment policy, after consultation with and approval by our Board where we believe it is prudent to do so after the [**REDACTED**].

GOVERNMENT PROJECTS AND RECOGNITIONS

We have been selected to undertake multiple government science and technology projects and have received numerous recognitions for our research and development achievements and global collaborations. Some of the significant projects and recognitions we have participated in and received are set out below:

Government projects

Project Name	Undertaking Company	Year	Project Level
Beijing Municipal Science and Technology Project	InnoCare Beijing Nuocheng	2019	Provincial/ Municipal-level
National Major Scientific and Technological Special Project for "Significant New Drugs Development"	InnoCare Beijing Nuocheng	2018	National-level
Beijing Municipal Science and Technology Project	InnoCare Beijing Nuocheng	2018	Provincial/ Municipal-level
Beijing Municipal Science and Technology Project	InnoCare Beijing Tiancheng	2018	Provincial/ Municipal-level
Zhongguancun Major Frontier Original Technical Achievements Transformation and Industrialization Project	InnoCare Beijing Nuocheng	2018	Provincial/ Municipal-level

Project Name	Undertaking Company	Year	Project Level
Zhongguancun National Innovation Demonstration Zone Characteristic Park Project	InnoCare Beijing Tiancheng	2018	Provincial/ Municipal-level
National Small and Micro Enterprises Entrepreneurial Innovation Base City Demonstration Project	InnoCare Beijing Tiancheng	2018	District-level
Zhongguancun Development Special Fund	InnoCare Beijing Tiancheng	2017	District-level
Beijing Municipal Science and Technology Project	InnoCare Beijing Nuocheng	2016	Provincial/ Municipal-level

Recognitions

Recognition Name	Recognized Company	Year	Certification Level
Beijing Municipal Enterprise – Science and Technology Research and Development Institute	InnoCare Beijing Nuocheng	2019	Provincial/ Municipal-level
National High-Tech Enterprise	InnoCare Beijing Nuocheng	2017	National-level
Zhongguancun Golden Seed Enterprise	InnoCare Beijing Tiancheng	2017	Provincial/ Municipal-level
Changping Science and Technology Research and Development Center	InnoCare Beijing Tiancheng	2017	Provincial/ Municipal-level
Zhongguancun High-Tech Enterprise	InnoCare Beijing Tiancheng	2016	Provincial/ Municipal-level

De Minimis Connected Transactions

Each of Dr. Yigong Shi, a Non-executive Director, and Dr. Zemin Zhang, an INED, is a connected person of the Company.

On August 8, 2018, InnoCare Beijing Nuocheng entered into a strategic collaboration agreement with Dr. Yigong Shi, pursuant to which Dr. Shi agreed to provide technical service in relation to the research and development of oncology treatments to the Company. Any consultation, advisory or research service fees payable may vary depending on the work product under the strategic cooperation.

On August 8, 2019, InnoCare Beijing Nuocheng entered into a strategic collaboration agreement with Dr. Zemin Zhang, pursuant to which Dr. Zhang agreed to provide technical service in relation to the research and development of oncology treatments to the Company. Any consultation, advisory or research service fees payable may vary depending on the work product under the strategic cooperation.

As at the date of this document, there have not been any actual work done or payments made between the parties under the strategic collaboration agreements. As each of the applicable percentage ratios under the Listing Rules is, on an annual basis, expected to be less than 0.1% and fall within the de minimis threshold as stipulated under Rule 14A.76 of the Listing Rules, such continuing connected transactions with each of Dr. Yigong Shi and Dr. Zemin Zhang are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules. As there is no actual work done or payment made under the strategic collaboration agreements, which only provide a framework under which project-specific agreements may be entered into in the future, our Company will monitor any proposal for potential work or specific project that may arise under the strategic collaboration agreements, and re-calculate the applicable percentage ratios every time such proposal is raised, to determine whether the transaction(s) contemplated under the relevant strategic collaboration agreement will still fall within the de minimis threshold under Rule 14A.76 of the Listing Rules.

In particular, prior to entering into any project-specific agreement under the strategic collaboration agreements, our Company will adhere to the following procedures and policies:

- any proposed project-specific agreement will be reviewed by a Board sub-committee consisting of a majority of INEDs (apart from Dr. Zhang in relation to any project under his strategic collaboration agreement, who shall not participate in the review process). Upon its review of the proposed project-specific agreement, such Board sub-committee shall provide a letter of recommendation to the Board in respect of the transaction contemplated under the proposed project-specific agreement. In addition, our Company will make available resources for such Board sub-committee to assess the terms of the underlying transaction and, if applicable, the rate for similar transactions in the market at the relevant time to ensure the reasonableness and fairness of the transaction contemplated under the proposed project-specific agreement;

- upon receiving the Board sub-committee's letter of recommendation, the Board (other than Dr. Shi or Dr. Zhang, as applicable) shall review the proposed project-specific agreement and consider whether the terms of the transaction contemplated under the project-specific agreement (including, among others, the scope of the transaction and any payment terms) are fair and reasonable and in the best interests of our Company and our Shareholders as a whole; and

- the Board shall also calculate the applicable percentage ratios in relation to any transaction contemplated under the proposed project-specific agreement to determine whether they exceed the de minimis threshold as stipulated under Rule 14A.76 of the Listing Rules. If any of the percentage ratios exceeds such de minimis threshold, our Company will comply with all applicable requirements in accordance with Chapter 14A of the Listing Rules, including, among others, the reporting, announcement and/or independent shareholders' approval requirements in respect of such transaction.

Any transaction under the strategic collaboration agreements that took place during each financial period will be disclosed in our Company's annual report in accordance with the applicable requirements of the Listing Rules. Our INEDs and auditors will also review such transaction annually and provide the necessary confirmation and report, as applicable, in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.

Furthermore, on March 30, 2019, InnoCare Beijing Nuocheng entered into an advisory committee appointment agreement with Dr. Yigong Shi for a term of one year, pursuant to which Dr. Shi agreed to provide consulting service to the Company in relation to pre-clinical research, clinical development and marketing of new products. Any consultation, advisory or research service fees payable may vary depending on further agreements between the Company and Dr. Shi.

As at the date of this document, there has not been any payments made between the parties under the advisory committee appointment agreement. As each of the applicable percentage ratios under the Listing Rules is, on an annual basis, expected to be less than 0.1% and fall within the de minimis threshold as stipulated under Rule 14A.76 of the Listing Rules, such continuing connected transaction with Dr. Yigong Shi is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules. We will comply with such requirements in accordance with the Listing Rules if any of the percentage ratios exceeds the de minimis threshold as stipulated under Rule 14A.76 of the Listing Rules.

Other than disclosed above, there is no other continuing connected transaction between us and our connected persons.