
CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into certain cornerstone investment agreements with the cornerstone investors (collectively the “**Cornerstone Investors**,” and each a “**Cornerstone Investor**”), pursuant to which the Cornerstone Investors have agreed to subscribe for, or cause their designated entities to subscribe for, certain number of the Offer Shares (rounded down to the nearest board lot of 1,000 Shares) that may be subscribed for at an aggregate amount of approximately US\$190 million, or approximately HK\$1,473 million at the Offer Price (the “**Cornerstone Placing**”).

Based on the Offer Price of HK\$13.70 per Offer Share, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Shares to be subscribed for by the Cornerstone Investors would be 107,482,000, representing approximately 41.25% of the Offer Shares and approximately 4.12% of the total issued share capital of our Company immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Based on the Offer Price of HK\$12.90 per Offer Share, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Shares to be subscribed for by the Cornerstone Investors would be 114,145,000, representing approximately 43.81% of the Offer Shares and approximately 4.38% of the total issued share capital of our Company immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Based on the Offer Price of HK\$12.10 per Offer Share, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Shares to be subscribed for by the Cornerstone Investors would be 121,694,000, representing approximately 46.70% of the Offer Shares and approximately 4.67% of the total issued share capital of our Company immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Our Company is of the view that, leveraging on the Cornerstone Investors’ investment experience, in particular in the pharmaceutical sector, the Cornerstone Placing will help to raise the profile of our Company and signify that such investors have confidence in our business and prospect. Our Company became acquainted with each of the Cornerstone Investors through introduction from the Underwriters in the Global Offering.

The Cornerstone Placing forms part of the International Offering. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Offer Shares in issue immediately following the completion of the Global Offering and to be listed on the Stock Exchange, and will be counted towards the public float of our Company. None of the Cornerstone Investors will subscribe for any Offer Shares under the Global Offering other than those to be subscribed for pursuant to their respective cornerstone

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investment agreements. Immediately following the completion of the Global Offering, none of the Cornerstone Investors will have any Board representation in our Company, nor will any of the Cornerstone Investors become a substantial Shareholder (as defined in the Listing Rules) of our Company.

To the best knowledge of our Company, (i) each of the Cornerstone Investors is an Independent Third Party and is not our connected person (as defined in the Listing Rules); (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, our Directors, chief executive, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, our Directors, chief executive, substantial shareholders, existing Shareholders or any of its subsidiaries or their respective close associates.

As confirmed by each of the Cornerstone Investors, its subscription under the Cornerstone Placing would be financed by its own internal resources. There are no side agreements or arrangements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Cornerstone Placing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price.

The Offer Shares to be subscribed by the Cornerstone Investors may be affected by the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the section headed “Structure of the Global Offering – The Hong Kong Public Offering” in this prospectus. Details of the allocations to the Cornerstone Investors will be disclosed in the announcement of results of allocations in the Hong Kong Public Offering to be published on or around October 22, 2020. There is no mechanism for the delayed settlement of the investment amounts or deferred delivery arrangement in respect of the shares to be subscribed by the Cornerstone Investors in the respective cornerstone investment agreements.

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The following tables set forth details of the Cornerstone Placing and approximate percentage of total number of Offer Shares and percentage of total issued share capital of our Company upon Listing, based on different Offer Price scenarios:

Based on Offer Price of HK\$13.70 (being the high-end of the indicative Offer Price range)						
			Approximate percentage of total number of Offer Shares	Approximate percentage of total issued share capital of our Company immediately following the completion of the Global Offering		
Cornerstone Investor (each as defined below)	Investment Amount ⁽¹⁾	Number of Offer Shares to be subscribed for (rounded down to nearest whole board lot of 1,000 Shares)	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
Hillhouse Capital	US\$50 million	28,285,000	10.86%	9.44%	1.09%	1.07%
New & High	US\$40 million	22,628,000	8.68%	7.55%	0.87%	0.86%
Red Earth	HK\$232.5 million	16,971,000	6.51%	5.66%	0.65%	0.64%
Lake Bleu Prime	US\$25 million	14,142,000	5.43%	4.72%	0.54%	0.53%
OrbiMed Funds	US\$25 million	14,142,000	5.43%	4.72%	0.54%	0.53%
Sage Partners	US\$10 million	5,657,000	2.17%	1.89%	0.22%	0.21%
Jericho Funds	US\$10 million	5,657,000	2.17%	1.89%	0.22%	0.21%
Total	US\$190 million	107,482,000	41.25%	35.87%	4.12%	4.06%

Note:

- (1) Except for Red Earth, whose investment amount is denoted in Hong Kong dollars, the actual investment amount of each Cornerstone Investor in Hong Kong dollars will be calculated based on the exchange rate as disclosed in this prospectus.

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Based on Offer Price of HK\$12.90 (being the mid-point of the indicative Offer Price range)						
Cornerstone Investor (each as defined below)	Investment Amount ⁽¹⁾	Number of Offer Shares to be subscribed for (rounded down to nearest whole board lot of 1,000 Shares)	Approximate percentage of total number of Offer Shares	Approximate percentage of total issued share capital of our Company immediately following the completion of the Global Offering		
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
Hillhouse Capital	US\$50 million	30,039,000	11.53%	10.02%	1.15%	1.14%
New & High	US\$40 million	24,031,000	9.22%	8.02%	0.92%	0.91%
Red Earth	HK\$232.5 million	18,023,000	6.92%	6.01%	0.69%	0.68%
Lake Bleu Prime	US\$25 million	15,019,000	5.76%	5.01%	0.58%	0.57%
OrbiMed Funds	US\$25 million	15,019,000	5.76%	5.01%	0.58%	0.57%
Sage Partners	US\$10 million	6,007,000	2.31%	2.00%	0.23%	0.23%
Jericho Funds	US\$10 million	6,007,000	2.31%	2.00%	0.23%	0.23%
Total	US\$190 million	114,145,000	43.81%	38.09%	4.38%	4.32%

Note:

- (1) Except for Red Earth, whose investment amount is denoted in Hong Kong dollars, the actual investment amount of each Cornerstone Investor in Hong Kong dollars will be calculated based on the exchange rate as disclosed in this prospectus.

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Based on Offer Price of HK\$12.10 (being the low-end of the indicative Offer Price range)						
Cornerstone Investor (each as defined below)	Investment Amount ⁽¹⁾	Number of Offer Shares to be subscribed for (rounded down to nearest whole board lot of 1,000 Shares)	Approximate percentage of total number of Offer Shares	Approximate percentage of total issued share capital of our Company immediately following the completion of the Global Offering		
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
Hillhouse Capital	US\$50 million	32,025,000	12.29%	10.69%	1.23%	1.21%
New & High	US\$40 million	25,620,000	9.83%	8.55%	0.98%	0.97%
Red Earth	HK\$232.5 million	19,215,000	7.37%	6.41%	0.74%	0.73%
Lake Bleu Prime	US\$25 million	16,012,000	6.15%	5.34%	0.61%	0.61%
OrbiMed Funds	US\$25 million	16,012,000	6.15%	5.34%	0.61%	0.61%
Sage Partners	US\$10 million	6,405,000	2.46%	2.14%	0.25%	0.24%
Jericho Funds	US\$10 million	6,405,000	2.46%	2.14%	0.25%	0.24%
Total	US\$190 million	121,694,000	46.70%	40.61%	4.67%	4.60%

Note:

- (1) Except for Red Earth, whose investment amount is denoted in Hong Kong dollars, the actual investment amount of each Cornerstone Investor in Hong Kong dollars will be calculated based on the exchange rate as disclosed in this prospectus.

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The following information about the Cornerstone Investors was provided to our Company by the Cornerstone Investors in relation to the Cornerstone Placing.

Hillhouse Capital

Gaoling Fund, L.P. and YHG Investment, L.P. are limited partnerships formed under the laws of the Cayman Islands. Hillhouse Capital Advisors, Ltd. (“**Hillhouse Capital**”) serves as the sole investment manager of Gaoling Fund, L.P. and the general partner of YHG Investment, L.P.

Founded in 2005, Hillhouse Capital is a global firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse Capital’s investment approach. Hillhouse Capital partners with exceptional entrepreneurs and management teams to create value, often with a focus on enacting innovation and technological transformation. Hillhouse Capital invests in the healthcare, consumer, TMT, advanced manufacturing, financial and business services sectors in companies across all equity stages. Hillhouse Capital and its group members manage assets on behalf of institutional clients such as university endowments, foundations, sovereign wealth funds, and family offices.

New & High

New & High (HK) Limited (“**New & High**”) is a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of Nanjing Jiangbei New District Industrial Investment Group Co., Ltd. (“**Jiangbei Investment Group**”).

Jiangbei Investment Group was established in 1992 and is directly managed by the Nanjing Jiangbei New District Management Committee (南京市江北新區管理委員會) (the “**Jiangbei Management Committee**”), which discharges the responsibilities of the People’s Government of Jiangbei New District, Nanjing. The responsibilities of the Jiangbei Management Committee include, among others, (i) the overall planning and coordination of the reform and development of Nanjing Jiangbei New District; and (ii) the overall planning of industry layout and key investment projects in Nanjing Jiangbei New District. As of June 30, 2020, Jiangbei Investment Group has a paid-up capital of approximately RMB6.5 billion and a total assets of approximately RMB100.1 billion. Jiangbei Investment Group, as the only entity for industrial investment and development in Jiangbei New District and Nanjing area of the Jiangsu Free Trade Zone, focuses on the industrial positioning of “Chip City” and “Gene City” of Jiangbei New District, and closely links to industries such as integrated circuit, healthcare, and intelligent manufacturing. Jiangbei Investment Group focuses on building the “Two Parks and One Valley” industrial platform of R&D Park, Biomedicine Valley, and Intelligent Manufacturing Industrial Park, and has formed four major business sectors, namely industrial project investment, industrial carrier construction, industrial integrated service and affordable housing construction.

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Red Earth

Red Earth Innovation International Company Limited (“**Red Earth**”) is a limited liability company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) (“**SCGC**”).

SCGC, an Independent Third Party, is a limited liability company established on August 25, 1999 under PRC laws, under the sponsorship from the Shenzhen government, who still holds a 28.2% equity interest as its largest shareholder. SCGC is a leading venture capital firm in the PRC. SCGC invests in growth companies of the information technology, internet, new media, creative media, biotechnology and health sciences, new energy, energy conservation and environmental protection, new materials and chemical industries, high-end manufacturing, consumer goods and modern services sectors.

Lake Bleu Prime

Lake Bleu Capital (Hong Kong) Limited acts as the investment manager to Lake Bleu Prime Healthcare Master Fund Limited (“**Lake Bleu Prime**”). Lake Bleu Prime, an exempted company incorporated in the Cayman Islands, is a long-bias public equity fund with investments focused on Asia/Greater China healthcare, including pharmaceuticals, biotech, medical devices, and healthcare services. The assets under management of Lake Bleu Prime as of the Latest Practicable Date was not less than US\$1.2 billion.

OrbiMed Funds

OrbiMed Partners Master Fund Limited (“**OPM**”), OrbiMed Genesis Master Fund, L.P. (“**Genesis**”), OrbiMed New Horizons Master Fund, L.P. (“**ONH**”), and Worldwide Healthcare Trust PLC (“**WWH**” and, collectively, the “**OrbiMed Funds**”) have agreed to subscribe for such number of the Offer Shares (rounded down to the nearest whole board lot) which may be purchased with an aggregate amount of US\$25 million at the Offer Price.

OrbiMed Capital LLC is the investment advisor for OPM and the portfolio manager of WWH. OPM is an exempted company incorporated under the laws of Bermuda. WWH is a publicly listed trust organized under the laws of England. Genesis and ONH are each exempted limited partnerships incorporated under the laws of the Cayman Islands with OrbiMed Advisors LLC acting as the investment manager. OrbiMed Capital LLC and OrbiMed Advisors LLC exercise voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and Jonathan T. Silverstein.

WWH is listed on the London Stock Exchange (LON: WWH). The approval of the London Stock Exchange is not required for WWH’s subscription for the Offer Shares pursuant to the relevant cornerstone investment agreement.

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Sage Partners

Sage Partners Master Fund (“**Sage Partners**”) is an exempted company incorporated in the Cayman Islands, and is managed by Sage Partners Limited, a Hong Kong incorporated SFC type 9 licensed investment management company. Sage Partners mainly focuses on investment opportunities in the healthcare sector by deploying a long-term fundamental-based approach. Sage Partners Limited was established in 2019 by Dr. Fei Wang, who is the ultimate controlling shareholder of Sage Partners Limited.

Jericho Funds

Each of Jericho Capital Master Fund L.P. and Jericho Asia Opportunities Master LP (“**Jericho Funds**”) is an exempted limited partnership registered in the Cayman Islands and operating as private investment funds managed by Jericho Capital Asset Management L.P. (“**Jericho Capital**”).

Jericho Capital, a limited partnership formed in the State of Delaware of the United States, is an investment manager to private investment funds and was founded in 2009. Jericho Capital is registered with the US Securities and Exchange Commission. As of December 31, 2019, Jericho Capital managed approximately US\$3,344,523,000 of regulatory assets under management, and Josh Resnick is its principal owner.

CONDITIONS PRECEDENT

The subscription obligation of each Cornerstone Investor is subject to, among other things, the following conditions precedent:

- (a) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in these underwriting agreements, and neither of the aforesaid underwriting agreements having been terminated;
- (b) the Offer Price having been agreed upon (i) between the Company and the joint representatives (for themselves and on behalf of the other underwriters of the Global Offering), for the purpose of the relevant cornerstone investment; or (ii) between the Company and the Joint Global Coordinators (for themselves and on behalf of the other underwriters of the Global Offering), as the case may be;
- (c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares to be subscribed for by the Cornerstone Investors as well as other applicable waivers and approvals) and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

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- (d) no relevant laws or regulations shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the relevant cornerstone investment agreement and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

- (e) the respective representations, warranties, undertakings, confirmations and acknowledgements of the relevant Cornerstone Investor under the relevant cornerstone investment agreement are accurate and true in all respects and not misleading and that there is no breach of the relevant cornerstone investment agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS' INVESTMENT

Each of the Cornerstone Investors has agreed that without the prior written consent of, among others, each of our Company and the Joint Sponsors, it will not, whether directly or indirectly, at any time during the period of six (6) months from the Listing Date, dispose of, in any way, any of the relevant Offer Shares or any interest in any company or entity holding any of the relevant Offer Shares including any securities convertible into or exchangeable or exercisable for or that represent the right to receive any of the foregoing securities, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries or affiliates who will be bound by the same obligations of such Cornerstone Investor.