THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in JW (Cayman) Therapeutics Co. Ltd, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

药明巨诺 JW Therapeutics

JW (Cayman) Therapeutics Co. Ltd
藥明巨諾（開曼）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2126)

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION IN RELATION TO LICENSE AND COLLABORATION AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders

SOMERLEY CAPITAL LIMITED

A letter from the Board is set out on pages 5 to 29 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 30 to 31 of this circular. A letter from Somerley Capital Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 32 to 63 of this circular.

A notice convening the extraordinary general meeting of JW (Cayman) Therapeutics Co. Ltd (the "**Company**") to be held by way of electronic means on January 17, 2023 at 9:00 a.m. is set out on pages 70 to 72 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (**www.hkexnews.hk**) and the Company (**www.jwtherapeutics.com**).

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending virtually and voting by proxy at the EGM (or any adjournment thereof) if they so wish.

* *For identification purpose only*

December 30, 2022

CONTENTS

The Company does not in any way wish to diminish the opportunity available to the Shareholders to exercise their rights and to vote, but is conscious of the need to protect the Shareholders from possible exposure to the COVID-19 pandemic. For the health and safety of the Shareholders, the Company would be adopting the below arrangements for the EGM to minimize attendance in person, while still enabling the Shareholders to vote and ask questions. Details of the special arrangements for the EGM are set out below.

NO PHYSICAL ATTENDANCE OF THE EGM

In light of the recent COVID-19 outbreak in Mainland China, including Shanghai, the PRC, the Board hereby announces that the EGM will be conducted virtually via electronic means without physical attendance. The Shareholders and/or their proxies will NOT be able to attend the EGM in person, and can only attend the EGM via electronic means using their own electronic devices.

ATTENDANCE AT THE VIRTUAL EGM ELECTRONICALLY

The Shareholders will be able to attend the EGM via the online platform, including to watch and listen to the EGM and submit any questions by email in advance or in writing through the online platform during the EGM. The online platform can be accessed via internet on a smartphone, tablet device or other browser enabled device. All Shareholders who have completed the registration (as detailed below) will be able to view the live streaming of the EGM and submit questions online during the EGM. From 8:30 a.m. on January 17, 2023, the Shareholders can login to the online platform by visiting the website at: **http://meetings.computershare.com/JWTH2023EGM**.

PRIOR REGISTRATION

Registered Shareholders who wish to join the live online webcast of the EGM may refer to the Company's letter to registered Shareholders sent on December 30, 2022 for details regarding the arrangements of the EGM, including login details to access the live online webcast. Non-registered Shareholders who wish to join the live online webcast of the EGM should liaise with their bank(s), broker(s), custodian(s), nominee(s) or HKSCC Nominees Limited through which their Shares are held (collectively, the "**Intermediaries**") and provide their email address to their Intermediaries at least five business days before the date of EGM (i.e. by January 10, 2023). Details regarding the arrangements of the EGM, including login details to access the live online webcast, will be sent at least two business days before the date of EGM (i.e. by January 13, 2023) by Computershare Hong Kong Investor Services Limited, the Company's Hong Kong share registrar, to the email address of the non-registered Shareholders provided by the Intermediaries. Registered and non-registered Shareholders should note that only one device is allowed per login. Please also keep the login details in safe custody for use at the EGM and do not disclose them to anyone else.

VOTE BY APPOINTING THE CHAIRMAN OF THE EGM AS YOUR PROXY

All resolutions at the EGM will be decided on a poll. Shareholders will still be able to vote by doing so in advance of the EGM by proxy. The proxy form for the EGM is enclosed with this circular. Alternatively, the proxy form can be downloaded from the Company's website at **www.jwtherapeutics.com** and the Stock Exchange's website at **www.hkexnews.hk**. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) as soon as practicable to assist you in the appointment of the chairman of the EGM as your proxy to vote.

The proxy form should be returned to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the EGM (i.e. 9:00 a.m. on Sunday, January 15, 2023) or any adjournment thereof (as the case may be).

QUESTIONS FROM SHAREHOLDERS

The EGM is an important opportunity for the Shareholders to express their views by asking questions and voting. The Shareholders may submit questions online during the EGM via the live webcast. They can also send any questions they may have in advance in relation to the resolutions to be tabled for approval at the EGM. To do so, all questions must be submitted by 9:00 a.m. on Sunday, January 15, 2023 (being not less than 48 hours before the EGM) via email to **IR_JW@jwtherapeutics.com**. If the Company cannot answer all questions at the EGM due to time constraint, it will endeavour to respond to such questions as soon as practicable after the EGM.

CHANGES TO EGM ARRANGEMENTS

The Company is closely monitoring the development of the COVID-19 pandemic in the PRC. Should any changes be made to the EGM arrangements, the Company will notify the Shareholders by way of a separate announcement to be published on the Company's website (**www.jwtherapeutics.com**) and the Stock Exchange's website (**www.hkexnews.hk**).

If the Shareholders have any questions relating to the EGM, please contact the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

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

"associates"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"BMS"	Bristol Myers Squibb Company, a company incorporated in Delaware, the U.S. on August 11, 1933 and whose shares are listed on the New York Stock Exchange (NYSE: BMY), and parent company of Celgene and Juno
"CAR"	chimeric antigen receptor
"CAR-T"	CAR T-cell
"Celgene"	Celgene Corporation, a company incorporated in Delaware, the U.S. on April 17, 1986, a wholly-owned subsidiary of BMS and parent company of Juno
"China" or "Greater China" or "PRC"	the People's Republic of China, which for purposes of the License and Collaboration Agreement consists of mainland China, Hong Kong and Macau but excludes Taiwan
"Company"	JW (Cayman) Therapeutics Co. Ltd (藥明巨諾(開曼)有限公司*), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 6, 2017
"connected person"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"DLL3"	delta-like canonical Notch ligand 3
"EGM"	the extraordinary general meeting of the Company to be held by way of electronic means on January 17, 2023 at 9:00 a.m., or any adjournment thereof and notice of which is set out on pages 70 to 72 of this circular

"Group"	the Company, its subsidiaries and the consolidated affiliated entities from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee, comprising Mr. Chi Shing Li, Mr. Yiu Leung Andy Cheung and Mr. Kin Cheong Kelvin Ho, being all the independent non-executive Directors, established to advise the Independent Shareholders in relation to the License and Collaboration Agreement and the transactions contemplated thereunder
"Independent Financial Adviser" or "Somerley"	Somerley Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities and being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the License and Collaboration Agreement and the transactions contemplated thereunder
"Independent Shareholders"	Shareholders other than Juno and its associates
"Juno"	Juno Therapeutics, Inc., a company incorporated in Delaware, the U.S. on August 5, 2013 under its former name, FC Therapeutics, Inc., a wholly-owned subsidiary of Celgene which is in turn wholly-owned by BMS, and is one of the Substantial Shareholders
"Juno Diagnostic Product(s)"	any product(s) specifically designated by Juno in writing that constitutes, incorporates, comprises or contains a composition, process method or kit that is necessary or reasonably useful for the measurement of safety or effectiveness of the Product

"JW Grantback IP"	(a) certain clinical, development and regulatory data generated by or on behalf of the Company in the conduct of activities for the Product (or related Juno Diagnostic Product) under the License and Collaboration Agreement; (b) certain sole inventions of the Company; (c) certain patents controlled by the Company; (d) the Company's interest in certain joint patents and joint inventions with Juno; (e) the JW Manufacturing Process as it relates to the Product; and (f) certain other background intellectual property controlled by the Company. For this purpose, references to the Company include the Company's affiliates
"JW Grantback IP License"	the Company's grant of a license in JW Grantback IP
"JW Manufacturing Process"	any proprietary manufacturing process controlled by the Company or any of its affiliates that is used by or on behalf of the Company or any of its affiliates for the manufacture of the Product
"Latest Practicable Date"	December 21, 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"License and Collaboration Agreement"	the license and collaboration agreement dated December 19, 2022 entered into between the Company and Juno in relation to, among other things, the research, development, manufacture and commercialization of the Product
"Licensed Construct"	a proprietary CAR construct controlled by Juno, comprising nucleic acids encoding the polypeptide comprising, among other things, a DLL3 binding CAR
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Macau"	the Macau Special Administrative Region of the PRC

"Product"	a CAR-T product specifically directed to DLL3 that contains the Licensed Construct and is manufactured using the JW Manufacturing Process
"Restricted Share Unit(s)"	share unit(s) granted pursuant to the Restricted Share Unit Scheme
"Restricted Share Unit Scheme"	the Restricted Share Unit Scheme adopted by the Company on September 4, 2019
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of US$0.00001 each
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholders"	has the meaning ascribed thereto under the Listing Rules
"U.S."	the United States of America
"US$"	United States dollar, the lawful currency of the U.S.
"%"	per cent

JW (Cayman) Therapeutics Co. Ltd
藥明巨諾（開曼）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2126)

Executive Director:
Dr. Yiping James Li *(Chairman)*

Non-executive Directors:
Dr. Krishnan Viswanadhan
Ms. Xing Gao (高星)
Dr. Ann Li Lee
Mr. Jinyin Wang (王金印)
Dr. Cheng Liu

Independent Non-executive Directors:
Mr. Chi Shing Li (李志成)
Mr. Yiu Leung Andy Cheung (張耀樑)
Mr. Kin Cheong Kelvin Ho (何建昌)

Registered Office in the Cayman Islands:
The offices of Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Headquarters in the PRC:
5F, Building B
No. 699 Zhong Ke Road
Pudong New District, Shanghai
PRC

Principal Place of Business in Hong Kong:
31/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

December 30, 2022

To the Shareholders

Dear Sir or Madam

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION IN RELATION TO LICENSE AND COLLABORATION AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated December 20, 2022 in relation to, among other things, the entering into of the License and Collaboration Agreement by the Company.

The purpose of this circular is to provide you with, among other things, (i) further details of the License and Collaboration Agreement and the transactions contemplated thereunder; (ii) a letter from the Board containing its opinion and recommendations to the Shareholders in respect of, among other things, the License and Collaboration Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of, among other things, the License and Collaboration Agreement and the transactions contemplated thereunder; (iv) a letter from the Independent Financial Adviser containing its opinion and recommendations to the Independent Board Committee and the Independent Shareholders in respect of, among other things, the License and Collaboration Agreement and the transactions contemplated thereunder; (v) other general information required to be disclosed under the Listing Rules; and (vi) a notice convening the EGM.

THE LICENSE AND COLLABORATION AGREEMENT

Principal Terms

The Company entered into the License and Collaboration Agreement dated December 19, 2022 (Eastern Time) (being December 20, 2022 Hong Kong time) with Juno, the principal terms of which are as follows:

Parties	:	(i) the Company; and (ii) Juno As of the Latest Practicable Date, Juno directly held approximately 17.09% equity interests in the Company, therefore, Juno is one of the Substantial Shareholders and a connected person of the Company as defined under the Listing Rules.
Date	:	December 19, 2022 (Eastern Time) (being December 20, 2022 Hong Kong Time)
Collaboration Program	:	The Company and Juno shall establish a strategic alliance for the research, development, manufacturing and commercialization in Greater China of new cellular therapy products specifically directed to a solid tumor antigen known as DLL3.

Grant of Licenses to the Company : Juno grants to the Company:

- A license under certain patents and know-how controlled by Juno, solely to (i) develop, commercialize, manufacture or have manufactured the Product in Greater China; and (ii) modify the Product (including the Licensed Construct) in Greater China in accordance with the License and Collaboration Agreement. This license is exclusive, subject to Juno's Opt-In Rights as described below, and it is sublicensable and transferable to a limited extent as provided in the License and Collaboration Agreement;

- A non-exclusive license under certain patents and know-how controlled by Juno to develop, commercialize, manufacture or have manufactured certain Juno Diagnostic Products, solely for use in connection with the Product in Greater China; and

- A non-exclusive license to use Juno's corporate names on the packaging and labelling of the Product or related Juno Diagnostic Products solely as required by applicable law in Greater China to develop, commercialize, manufacture or have manufactured the Product or related Juno Diagnostic Products in Greater China.

Opt-In Right : The Company grants to Juno an exclusive right, exercisable in Juno's sole discretion, to co-commercialize the Product and related Juno Diagnostic Products with the Company in Greater China (the "**Opt-In Right**"). There are two periods during which Juno is allowed to exercise the Opt-In Right.

If Juno exercises the Opt-In Right:

- The Company and Juno shall co-commercialize the Product and related Juno Diagnostic Products in Greater China and shall share equally the profits and losses (as the case may be) relating to the development, commercialization and manufacturing of the Product in Greater China. Depending on the timing of Juno's exercise of the Opt-In Right, certain allowable development expenses incurred by the Company may be included in the calculation of profit and loss.

- Juno shall make a one-time payment to the Company (the "**Opt-In Payment**"). The amount of the Opt-In Payment may be lower or higher depending on whether the first pivotal trial for the Product in Greater China has already been initiated at the time when Juno exercises the Opt-In Right. The amount of the Opt-In Payment will not in any event exceed US$50 million in aggregate.

- No milestone payments or royalty payments will be due from the Company to Juno in connection with the Product and related Juno Diagnostic Products, except that if, prior to the time at which Juno exercises the Opt-In Right, the Company has reimbursed (or accrued an obligation to reimburse) Juno for milestone payments owed by Juno to third parties with respect to the development of the Product and related Juno Diagnostic Products in Greater China, as described below under "Milestone payments" and "Royalty payments", Juno will be entitled to retain such reimbursed amounts (or receive such accrued amounts, as the case may be).

The annual cap for profit-sharing payments to be paid by the Company to Juno and loss-sharing payments to be paid by Juno to the Company pursuant to the License and Collaboration Agreement in the event that Juno exercises the Opt-In Right will be determined in accordance with the following formula:

Annual cap for profit and loss-sharing payments = 50% × annual net profit/net loss from sales of the Product and related Juno Diagnostic Products (including, where applicable, reimbursement by Juno of any allowable development expenses incurred by the Company)

Milestone payments : If Juno does not exercise the Opt-In Right, the Company will make a development milestone payment to Juno. In addition, the Company is required to reimburse to Juno all milestone payments owed by Juno to third parties with respect to the development or commercialization of the Product in Greater China pursuant to in-license agreements existing at the time of such development or commercialization. The aggregate amount of such development milestone payments and reimbursements (being the amount payable by Juno to third parties) with respect to the development and commercialization of the Product (assuming the Product is only developed for one indication) will not in any event exceed US$35 million in aggregate. The Company has no current plan to develop the Product for any indication other than small cell lung cancer ("**SCLC**"). In the event that the Company elects in the future to commence development of the Product for any additional indication(s), and if development of the Product for such indication(s) would cause the aggregate amount of development milestone payments and reimbursements with respect to the commercialization and development of the Product to exceed US$35 million, the Company will seek shareholder approval as required by, and in compliance with, all applicable Listing Rules.

Royalty payments : If Juno does not exercise the Opt-In Right, the Company will (i) make tiered royalty payments to Juno on annual net sales of the Product and (ii) reimburse to Juno all royalties owed by Juno to third parties with respect to the development or commercialization of the Product in Greater China pursuant to in-license agreements existing at the time of such development or commercialization. The aggregate amount of such royalty payments and reimbursements (being the amount payable by Juno to third parties) with respect to the development and commercialization of the Product will not in any event exceed 16% of annual net sales of the Product in Greater China.

The Company shall pay royalty payments and reimbursements to Juno with respect to the aggregate annual net sales of any related Juno Diagnostic Products in Greater China. The aggregate amount of such royalties and reimbursements (being the amount payable by Juno to third parties) will not in any event exceed 11% of annual net sales of such related Juno Diagnostic Products in Greater China.

The annual caps for royalty payments and reimbursements to be paid to Juno pursuant to the License and Collaboration Agreement in the event that Juno does not exercise the Opt-In Right will be determined in accordance with the following formula:

Annual cap for royalty payments and reimbursements with respect to the Product = 16% × annual net sales of the Product

Annual cap for royalty payments and reimbursements with respect to related Juno Diagnostic Products = 11% × annual net sales of related Juno Diagnostic Products

Grant of License to Juno	:	The Company grants a non-exclusive and sublicensable license in the JW Grantback IP for Juno to exploit any products that are developed by Juno outside Greater China. In the event that Juno, its affiliates or any of its licensees obtains a regulatory approval for such products in the U.S. or any of the major markets in the European Union, Juno will make a one-time, non-refundable and non-creditable payment to the Company which will not in any event exceed US$10 million.
Technology transfers relating to JW Manufacturing Process	:	In the event that Juno requests a technology transfer with respect to the JW Manufacturing Process, Juno will make one or more one-time, non-refundable, non-creditable payments to the Company. The amount of payments due from Juno to the Company upon the occurrence of any such technology transfer will not in any event exceed US$10 million in aggregate.
Royalty term	:	The royalty term with respect of the Product and/or related Juno Diagnostic Product will begin on the first commercial sale of the Product in Greater China and end upon the later of: (a) the expiration of the last-to-expire valid claim of the patents licensed to the Company that covers the composition of matter or method of use of the Product; and (b) the 10th anniversary of the date of the first commercial sale of the Product in Greater China.
Term	:	Except as otherwise set forth in the co-commercialization agreement which the Company and Juno shall negotiate in good faith and enter into with respect to co-commercialization of the Product should Juno exercise the Opt-In Right, the License and Collaboration Agreement will continue until the expiration of the royalty term, unless earlier terminated in accordance with the terms of the License and Collaboration Agreement or by mutual written agreement of the parties.

Condition precedent	:	The License and Collaboration Agreement shall become effective upon the Company having obtained the Independent Shareholders' approval at the EGM in relation to the License and Collaboration Agreement and the transactions contemplated thereunder.
Non-compete	:	Pursuant to the License and Collaboration Agreement, each of the Company and Juno shall not, directly or indirectly, conduct any activity involving any competing products against the Product in Greater China.

Basis of consideration of the License and Collaboration Agreement

The amounts of (i) the development milestone payment, third party milestone payment reimbursements, tiered royalty payments and third party royalty reimbursements due from the Company to Juno (if Juno does not exercise the Opt-In Right); (ii) the Opt-In Payment due from Juno to the Company (if Juno does exercise the Opt-In Right); and (iii) the payments due from Juno to the Company with respect to the JW Grantback IP License (where applicable), were negotiated on an arm's length basis between the parties on normal commercial terms. In arriving at its decision concerning appropriate values for (i) the development milestone payment, third party milestone payment reimbursements, tiered royalty payments and third party royalty reimbursements due from the Company to Juno (if Juno does not exercise the Opt-In Right); and (ii) the Opt-In Payment due from Juno to the Company (if Juno does exercise the Opt-In Right), the Board considered a wide range of factors, including (a) the technologies and know-how possessed by Juno; (b) future prospects for the development and commercialization of the Product in Greater China, including expected demand for the Product in Greater China based on addressable patient population and unmet medical needs; and (c) investment necessary for, and risks associated with, development and commercialization of the Product.

To incorporate the above factors into acceptable values for the milestone payments, royalty payments and the Opt-In Payment, the Board has taken into account the overall value of commercializing the Product in Greater China, net of the estimated investment amount for the development of the Product, including milestone payments and reimbursements in the amount of US$35 million in aggregate, future expenses to commercialize the Product, being costs and expenses associated with conducting clinical trials in Greater China as well as sales and marketing-related expenses, and the payment obligations for tiered royalties under the License and Collaboration Agreement. The foregoing considerations form the basis for the Board's determination that the agreed values for the milestone payments, royalty payments and the Opt-In

Payment in the License and Collaboration Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. In particular, the Board considered the following additional factors:

- Therapies directed to DLL3 have substantial commercial potential, as DLL3 is a highly prevalent antigen in a variety of malignant tumors, including SCLC and other neuroendocrine tumors.

- For illustrative purposes only, one of the target indications for DLL3, namely, SCLC, is chosen as an example to demonstrate the market potential of therapies directed to DLL3. According to the Chinese Medical Journal (2022), the incidence of lung cancer in China is approximately 870,000 cases per year. Based on publicly available data, SCLC represents approximately 15–20% of the incidence of lung cancer and the Company estimates that the five-year survival rate for patients diagnosed with these conditions is less than 5% with respect to SCLC. SCLC is a disease with poor prognosis and limited treatment options. According to Journal of Hematology & Oncology (2019), the expression percentage of DLL3 in SCLC is approximately 80%. Taking (i) the historical incidence of SCLC in China; and (ii) the estimated prevalence of DLL3 among patients with such cancer into account, for illustrative purposes only, DLL3-positive SCLC are expected to have a prevalence of approximately 104,000 patients in China.

- On the basis of the foregoing data, demand in China for effective treatments for SCLC is expected to be substantial.

- To the best of the Company's knowledge, few pharmaceutical companies have publicly indicated that they may be conducting pre-clinical research on cellular immunotherapies directed to DLL3 in China[1], and no company has publicly announced that is conducting clinical trials on such cellular immunotherapies in China at present. Accordingly, the Company believes that it can be among the early movers in a highly promising market through development of a cell therapy directed to DLL3 in China.

- Moreover, Juno is a leader in the field of cell therapy and has applied its scientific expertise in extensive pre-clinical research to generate the Licensed Construct. The Company's own expertise in process development, cell therapy manufacturing and clinical research (including access to patient populations for clinical studies) have been demonstrated by its successful development and commercialization of relma-cel™ in China. The Company believes that this combination of Juno's expertise with the Company's own expertise will enable it to compete effectively with other biotech companies that may be seeking to develop cell therapies directed to DLL3 in China.

In arriving at its decision concerning appropriate values for the payments due from Juno to the Company with respect to the JW Grantback IP License (where applicable), the Board noted that the utility for the Company of the intellectual property licensed by the Company from Juno under the License and Collaboration Agreement is substantially higher than the utility of the JW Grantback IP for Juno, and the Board also noted the relative strengths of the Company's advanced manufacturing process in relation to Juno's own advanced proprietary manufacturing process. Furthermore, the Board considered the following additional factors:

- The core of the License and Collaboration Agreement is the grant by Juno of license rights in certain patents and know-how controlled by Juno for the purpose of enabling development and commercialization of the Product in Greater China, and the commercial terms of this core aspect of the License and Collaboration Agreement are considered by the Board to be advantageous to the Company.

[1] Legend Biotech announced on November 21, 2022 that the U.S. Food and Drug Administration had approved its investigational new drug ("IND") application for clinical trials in the United States of a CAR-T therapy directed to DLL3 for the treatment of SCLC, and in December 2020 Allogene Therapeutics and Overland Pharmaceuticals announced a joint venture ("Allogene Overland") for the development, manufacturing and commercialization of allogeneic CAR-T therapies directed to a range of targets, including DLL3 among others, in China, Taiwan, South Korea and Singapore. Although neither Legend Biotech nor Allogene Overland have publicly announced that they are conducting pre-clinical research on CAR-T therapies directed to DLL3 in China, the Company believes it is reasonable to assume that they may be doing so. Aside from the foregoing, the Company is not aware of any other companies that have publicly indicated that they may be seeking at present to develop a cell therapy directed to DLL3 in China.

- In the scenario in which Juno does not exercise the Opt-In Right, the fact that Juno is willing to grant such license without requiring any upfront payment is considered to be advantageous to the Company.

- In the scenario in which Juno exercises the Opt-In Right, depending on the stage of development of the Product at the time when the Opt-In Right is exercised, Juno would make a substantial payment (in aggregate not exceeding US$50 million) to the Company, the Company would then owe no development milestone payments or royalty payments to Juno, and Juno would then share equally with the Company the manufacturing costs and commercialization costs, as well as certain development costs, relating to the development, commercialization and manufacturing of the Product in Greater China. This is highly beneficial to the Company and the Shareholders as a whole.

- The net benefits and costs to the Company and the Independent Shareholders of other commercial terms of the License and Collaboration Agreement, such as the terms of the JW Grantback IP License, are of incidental significance compared to the net benefits that the Company and the Independent Shareholders may gain from the core terms of the License and Collaboration Agreement as outlined above.

- Accordingly, the Directors believe that it is inappropriate to evaluate the net benefits and costs to the Company and the Independent Shareholders of the JW Grantback IP License in isolation, rather than as incidental features of an overall transaction that is centered on the Company's in-licensing, on advantageous terms, of intellectual property rights owned by Juno that have significant potential. The Directors are of the view that the amounts payable by Juno to the Company with respect to the JW Grantback IP License are fair and reasonable in the context of the overall benefits that the Company, including the Independent Shareholders, may receive from entering into the License and Collaboration Agreement.

The foregoing considerations form the basis for the Board's determination that the agreed values for (i) the development milestone payment, third party milestone payment reimbursements, tiered royalty payments and third party royalty reimbursements due from the Company to Juno (if Juno does not exercise the Opt-In Right); (ii) the Opt-In Payment due from Juno to the Company (if Juno does exercise the Opt-In Right); and (iii) the payments due from Juno to the Company with respect to the JW Grantback IP License (where applicable) in the License and Collaboration Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Additional reasons for and benefits of the transactions contemplated under the License and Collaboration Agreement are set out in the paragraph headed "Reasons for entering into the License and Collaboration Agreement" in this circular.

Waiver from strict compliance with Rules 14A.52 and 14A.53 of the Listing Rules

Under Rule 14A.52 of the Listing Rules, the period of an agreement for a continuing connected transaction must be fixed. However, the term of the License and Collaboration Agreement is of an indefinite nature as it will, unless terminated in accordance with its terms, remain in effect.

As the Company believes that it is a market practice in the biotechnology industry for similar collaboration agreements to be entered into for a long term or for an indefinite term, due to the substantial amount of time and capital committed by the collaboration parties and the risks involved in developing and commercializing any biological products, the Company has applied for, and the Stock Exchange has granted the Company, a waiver from strict compliance with the requirement under Rule 14A.52 of the Listing Rules to set a term of not exceeding three years under the License and Collaboration Agreement.

The Company also believes that strict compliance with the requirements of Rule 14A.53 of the Listing Rules for setting monetary caps in relation to the (i) the royalties and profit-sharing payments to be made by the Company to Juno; and (ii) certain development costs/loss-sharing payments to be made by Juno to the Company as contemplated under the License and Collaboration Agreement is unduly burdensome, impractical and not in the best interests of Shareholders for the following reasons:

(i) the revenue to be derived from the sale of the Product depends on the actual addressable market for the Product, which will in turn depend on various factors over which the Company has no control, including the feasibility and subsequent success of the relevant clinical trials which could be affected by the number of eligible patients and their actual health conditions, suitability and willingness to participate at the time when the relevant clinical trials are initiated, acceptance of the Product by the medical community, patient access and biologics product pricing based on market demand; and

(ii) the Product shall be an innovative or, based on the Company's understanding, the first CAR-T product of its type within the PRC if successfully developed. Similarly, the License and Collaboration Agreement is currently in a pre-mature stage and the Company is not in a position to give an accurate estimate of certain financial information, including projections of sales figures, costs of clinical trials, revenue

forecasts and product pipeline details. Therefore, the Company does not have sufficient or reliable information (including but not limited to historical sales figures) and market references to enable it to provide meaningful estimates of monetary caps.

In view of the above, the Company has applied for, and the Stock Exchange has granted the Company, a waiver from strict compliance with the requirements under Rules 14A.52 and 14A.53 of the Listing Rules for setting a term of not exceeding three years and setting monetary caps in relation to the (i) the royalties and profit-sharing payments to be made by the Company to Juno; and (ii) certain development costs/loss-sharing payments to be made by Juno to the Company contemplated under the License and Collaboration Agreement, subject to the following conditions:

(i) in the event that sufficient financial and/or historical data in relation to the commercialization of the Product could be obtained by the end of an initial term ending on December 31, 2030 (the "**Initial Term**"), the Company will duly re-comply with the annual caps requirements after the Initial Term in accordance with Rule 14A.53 of the Listing Rules;

(ii) if the commercialization of the Product takes place earlier than the Company's current estimation, the Company shall set monetary caps by making announcement (where appropriate) for the purpose of Rule 14A.53 of the Listing Rules after three years from the commencement of the sales of the Product and the Juno Diagnostic Products; and such transaction shall be subject to, among others, circular and independent shareholders' approval requirements if the highest applicable percentage ratio is more than 5%. In addition, the Company shall disclose in its annual report the basis for calculating the fees payable to Juno under the License and Collaboration Agreement and any changes to such basis would be subject to Independent Shareholders' approval;

(iii) the Company will comply with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules if there is any material change to the terms of the License and Collaboration Agreement;

(iv) the Company will designate a team to execute and ensure that the transactions in relation to the License and Collaboration Agreement are undertaken in accordance with the terms therein;

(v) the Company's chief executive officer, Dr. Yiping James Li, will use his best endeavor to supervise the compliance with the terms of the License and Collaboration Agreement and applicable Listing Rules requirements to the extent not waived by the Stock Exchange on a regular basis;

(vi) the independent non-executive Directors and the auditors of the Company will review the transactions in relation to the License and Collaboration Agreement on an annual basis and confirm in the Company's annual reports the matters set out in Rules 14A.55 and 14A.56 of the Listing Rules, respectively;

(vii) the Company will disclose in the announcement and circular the background for entering into the License and Collaboration Agreement, the terms of the License and Collaboration Agreement, the grounds for the waiver sought and the Directors' and Independent Financial Advisors' views on the fairness and reasonableness of the transactions under the License and Collaboration Agreement;

(viii) in the event of any future amendments to the Listing Rules imposing more stringent requirements than those as at the date of the announcement and circular on the above continuing connected transactions, the Company will take immediate steps to ensure compliance with such new requirements;

(ix) apart from setting a term of not exceeding three years and setting fixed monetary annual cap for which waivers are sought, the Company will comply with other requirements under Chapter 14A of the Listing Rules; and

(x) the entering into the License and Collaboration Agreement with Juno, as long as Juno remains as a connected person of the Company, will comply in full with all applicable reporting, annual review, disclosure and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Waiver from strict compliance with Rule 14A.70(13) and paragraph 43(2)(c) of Appendix 1B to the Listing Rules

The Company has applied to the Stock Exchange and the Stock Exchange has granted the Company a waiver from strict compliance with Rule 14A.70(13) and paragraph 43(2)(c) of appendix 1B to the Listing Rules to redact certain information in the License and Collaboration Agreement to be published for online display based upon the following rationale:

It is information that:

1. Meets the following criteria:

   (i) it has either actual or potential independent economic value by virtue of not being generally known by the public;

(ii) it has value to others who cannot legitimately obtain such information (for instance, to potential future collaboration partners of the Company on development of cell therapies and/or competitors in the market for therapies directed to DLL3); and

(iii) the parties have taken efforts to maintain its secrecy;

2. Negatively impacts the Company in conducting future negotiations with other potential collaboration partners (including but not limited to licensors, licensees, distributors, etc.) as such potential collaboration partners could use the disclosed economics to negotiate against the Company and put the Company in a difficult situation to negotiate for terms that are more commercially favorable to the Company; or

3. May also reveal the business strategies and priorities that are being formulated by the Company. Competitors of the Company may utilize such disclosed information in the development of biosimilar products and/or formulating their own development and commercialization plans for competing products. Competitors and industry participants may also make use of such disclosed information to ascertain the best potential market and audience and advance their own commercial interests, thereby directly affecting the market share of the Company. As a result, competitors of the Company may utilize such information to have an upper hand and unfairly compete with the Company and adversely impact the Company's prospects of commercial success in respect of the Product, thereby adversely affecting potential income stream of the Company.

In addition to the foregoing general rationale, the table below sets forth the provisions of the License and Collaboration Agreement from which certain information has been redacted and the more specific rationale for each such redaction.

I. Financial and Payment Terms

Terms reference	**Rationale for redaction**
Sections 2.2(a) and (b) Sections 4.2(a) and (b) Section 5.2 Section 5.3	1. Each of these items of information constitutes a trade secret as it derives economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and the Company has taken efforts to maintain and safeguard the secrecy of such information.

Terms reference	Rationale for redaction
	2. Each of the development milestone event, sales threshold and timing for exercise of Opt-In Right as well as the corresponding development milestone payment and reimbursements, royalty payment and Opt-In Payment is highly commercially sensitive information of the Company, as it comprises: (a) the estimated timeframe and likelihood of obtaining regulatory approval for the Product in Greater China — disclosure of which may expose (i) the business strategies and development and commercialization priorities of the Company in respect of the Product (including estimated sales price and sales volume of the Product); and (ii) the specific stage and estimated likelihood of success of the development and commercialization of the Product (including its relevant indications); (b) the expected commercial benefits to the Company in each specific development stage — the timing of the development milestone payment, the breakdown of the sales threshold and the corresponding royalty rates and the timing of the Opt-In Payment reveals the estimated market size, sales price and volume and margin of the Product. The amount of the Opt-In Payment to be paid by Juno at different stages of development of the Product illustrates the potential business opportunities and value attached to the Product at that development stage. Moreover, the amounts of the royalty payments to be made by the Company to Juno following the satisfaction of the relevant net sales objectives in Greater China (together with any reimbursements to Juno) also reveal the market potential of the Product in Greater China; and

Terms reference	Rationale for redaction
	(c) the marketing strategy of the Company — this inextricably ties in with potential income to be derived from the Product by the Company. As illustrated in items (a) and (b) above, competitors and other industry participants may gain knowledge of the business strategies and development and commercialization priorities of the Company after learning of the amount and timing of the development milestone payment, the breakdown of the sales threshold and the corresponding royalty rates and the amount and timing of the Opt-In Payment, and may take advantage of such information for their own good or use such information as leverage against the Company during negotiation.
	3. Such information, if revealed to the public, will put the Company at a highly significant competitive disadvantage. In an industry where speed of developing and commercializing cell therapy candidates is key to success, any information exposed with respect to the Company's business strategies and development and commercialization priorities can significantly hamper its ability to successfully commercialize the Product and may derail its plans to achieve any of the regulatory and commercial milestone objectives, thereby adversely affecting the Company's income stream.

Terms reference	Rationale for redaction
	4. The development milestone payment and royalty payments payable by the Company to Juno and the Opt-In Payment payable by Juno to the Company are contingent upon the development and/or sales progress of the Product, which are not within the control of the Company. It is uncertain when any of the milestone objectives or sales thresholds can be met or the Opt-In Right will be exercised by Juno, or whether any of such objectives or thresholds can be met and whether Juno will exercise its Opt-In Right at all. As such, there is limited value in disclosing such details of the timing of the development milestone event, the breakdown of the sales threshold, and the corresponding royalty rates and the amount and timing of the Opt-In Payment. In fact, for the reasons set out above, the harm brought about by disclosure of such details would far outweigh any value that might be derived from disclosure thereof. Moreover, the proposed alternative disclosures include the more definite and meaningful information that shareholders need in order to assess the transactions contemplated under the License and Collaboration Agreement.

II. Technical Know-how

Terms reference	Rationale for redaction
Section 1.58 Exhibit 1.107	1. The redacted portion is of utmost importance to this collaboration and the Company. Such information is highly confidential and constitutes trade secrets as it involves sensitive commercial information of Juno. The disclosure of the redacted portion may expose the structure of the Licensed Construct which are classified as the core sensitive technical know-how under the License and Collaboration Agreement. Such details are highly protected by the parties to the License and Collaboration Agreement, and likewise by every other biotech and pharmaceutical company, and shall not be disclosed publicly. The disclosure of such proprietary information will put the Company and Juno at a serious competitively harmful position. 2. The disclosure of the redacted portions provides limited value to Shareholders. Neither will such disclosure provide additional insight to the Shareholders as to the Company's assets and liabilities, financial position, profits and losses, prospects of the Company and the impact of the transactions contemplated under the License and Collaboration Agreement on the Company. Such redacted portions are purely commercial mechanics negotiated between the Company and Juno.
Section 1.50 Section 2.1(d) Exhibit 1.85 Exhibit 14.2(c)	1. The redacted portion is also of high importance to this collaboration and the Company. Such information is highly confidential and constitutes trade secrets as it involves sensitive commercial information of Juno. The disclosure of the redacted portion may expose the technologies and patents that will be deployed in the development of the Product and the correlation amongst such technologies, patent(s) and the Product, which will put the Company and Juno at a competitively harmful position.

Terms reference	Rationale for redaction
	2. The disclosure of the redacted portions provides limited value to Shareholders. Neither will such disclosure provide additional insight to the Shareholders as to the Company's assets and liabilities, financial position, profits and losses, prospects of the Company and the impact of the transactions contemplated under the License and Collaboration Agreement on the Company. Such redacted portions are purely commercial mechanics negotiated between the Company and Juno.

III. Negotiated Operational Terms

Terms reference	Rationale for redaction
Paragraph 4.6 of Exhibit 1.55 Exhibit 10.4(a)	1. The specific level of FTE Rate and its increment relate to the employee benefit expenses of the Company, which has a significant impact on its overall costs, and disclosure thereof would adversely affect the Company in terms of negotiations when recruiting development and marketing personnel, who may use such disclosed economics to negotiate with the Company on a no less favorable basis. The disclosure thereof would also put the Company in a competitively harmful position.
	2. The list of know-how to be transferred by Juno to the Company is highly confidential and constitutes trade secrets and should be proprietary to Juno and such list is a result of extensive negotiations between the Company and Juno. Competitors and industry participants may be able to ascertain their enforcement strategies against the Company during intellectual property right infringement proceedings. The disclosure thereof would lead to an undesirable outcome, which would not be measurable and remediable.

Terms reference	Rationale for redaction
	3. The disclosure of the redacted portions provides limited value to Shareholders. Neither will such disclosure provide additional insight to the Shareholders as to the Company's assets and liabilities, financial position, profits and losses, prospects of the Company and the impact of the transactions contemplated under the License and Collaboration Agreement on the Company. Such redacted portions are purely commercial mechanics negotiated between the Company and Juno.

Reasons for entering into the License and Collaboration Agreement

The Company has established a close cooperative relationship with Juno, and continuation of this relationship with Juno is critical to the Company's business and development. For the Company to continue to execute on its business strategy to focus on potential opportunities in the cell therapy space that it deems to possess high growth or breakthrough technology potential, it is critical that the Company be able to leverage its CAR-T research, development, manufacturing and commercialization strengths in order to build on the foundation of this established relationship with BMS, which is one of the few pharmaceutical companies in the world with a track record of completing CAR-T commercialization, and is a much-preferred partner of the Company.

The Company has selected DLL3 as the target of its new CAR-T therapy because DLL3 is widely expressed in a variety of malignant tumors, and increased DLL3 expression is associated with later stage disease. DLL3 has been validated as a target in a type of solid tumor in several different platforms, but most have had limited results. The Company believes that the right CAR construct and use of T cells is necessary to see durable responses.

The Company has selected the DLL3 construct produced by Juno because the pre-clinical data are promising, robust and trusted, and the Company believes that the Licensed Construct is more likely to provide low toxicity and a high level of killing of targets with lower level target expression. Other pharmaceutical companies are seeking to develop treatments for the said type of solid tumor that are directed to DLL3. However, no clear front-runner has emerged to date. Accordingly, the Company believes that a CAR-T therapy directed to DLL3 for the treatment of the said type of solid tumor has significant potential.

The Directors are of the view that the License and Collaboration Agreement between the Company and Juno will further leverage the Company's world-class integrated capabilities including translational research and clinical development and its extensive understanding of the

unmet clinical needs of the population and accelerate the development of more cell immunotherapy products with breakthrough therapeutic value to serve more patients with cancer in China and potentially worldwide.

The Board is of the view that the transactions contemplated under the License and Collaboration Agreement are conducted in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of the License and Collaboration Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the License and Collaboration Agreement and therefore is not required to abstain from voting on the board resolutions relating to the License and Collaboration Agreement and the transactions contemplated thereunder.

INFORMATION ABOUT THE PARTIES

The Company

The Company is an independent and innovative biotechnology company focusing on the developing, manufacturing and commercializing cell immunotherapy products. Founded in 2016, the Company is committed to becoming an innovation leader in cell immunotherapy. The Company has built a top world-class platform for technology and product development in cell immunotherapy, as well as a promising product pipeline covering both hematologic malignancies and solid tumors, to bring hope of cure for Chinese and global patients, and to lead the healthy and standardized development of China's cell immunotherapy industry. For more information, please visit **www.jwtherapeutics.com**.

Juno

Juno is a biotechnology company incorporated in Delaware, the U.S. It is a wholly-owned subsidiary of Celgene, which is in turn wholly-owned by BMS, a U.S. multinational company listed on the New York stock exchange in the U.S. (NYSE: BMY) and one of the world's largest pharmaceutical companies. Juno focuses on developing innovative cellular immunotherapies for the treatment of cancer.

BMS is engaged in the discovery, development, licensing, manufacturing, marketing, distribution and sale of biopharmaceutical products on a global basis. Its principal strategy is to combine the resources, scale and capability of a pharmaceutical company with the speed and focus on innovation of the biotech industry. Its focus as a biopharmaceutical company is on discovering, developing and delivering transformational medicines for patients facing serious diseases in areas such as oncology (both solid tumors and hematology), immunology, cardiovascular and neurology.

As of the Latest Practicable Date, Juno directly held approximately 17.09% equity interests in the Company, therefore, Juno is one of the Substantial Shareholders and a connected person of the Company as defined under the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

Juno is one of the Substantial Shareholders and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the transactions contemplated under the License and Collaboration Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of maximum amount of the Opt-In Payment under the License and Collaboration Agreement exceeds 5%, and the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the maximum aggregate amount of development milestone payment and reimbursements with respect to the development and commercialization of the Product exceeds 5%, the transactions contemplated under such agreement are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Juno and its associates are required to abstain from voting on the resolutions in respect of the License and Collaboration Agreement and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Juno, none of the Shareholders has any material interest in the transactions contemplated under the License and Collaboration Agreement, and therefore, no other Shareholder is required to abstain from voting at the EGM in respect of the resolutions approving the License and Collaboration Agreement and the transactions contemplated thereunder.

As the transactions contemplated under the License and Collaboration Agreement are subject to the terms and conditions thereunder, such transaction may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An independent board committee comprising the existing independent non-executive Directors has been established to advise the Independent Shareholders on the License and Collaboration Agreement and the transactions contemplated thereunder. None of the members of the Independent Board Committee has any material interest in the License and Collaboration Agreement. A letter from the Independent Board Committee is set out on pages 30 to 31 in this circular. Somerley has been appointed as the Independent Financial Adviser to advise the

Independent Board Committee and the Independent Shareholders on License and Collaboration Agreement and the transactions contemplated thereunder. A letter from the Independent Financial Adviser is set out on pages 32 to 63 of this circular.

EGM

A notice convening the EGM to be held by way of electronic means on January 17, 2023 at 9:00 a.m. is set out on pages 70 to 72 of this circular for the purpose of considering and, if thought fit, passing the resolutions as set out therein.

A form of proxy for use by the Shareholders at the EGM is enclosed herewith. Whether or not you are able to attend and vote at the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e., at or before 9:00 a.m. on January 15, 2023), or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

Pursuant to the Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Company will procure that the chairman of the EGM shall demand voting on the resolutions set out in the notice of EGM be taken by way of poll.

RECOMMENDATION

After taking into account the reasons and benefits of the License and Collaboration Agreement, the Directors, including the independent non-executive Directors, are of the view that the terms of the License and Collaboration Agreement are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the EGM to approve the entering into of the License and Collaboration Agreement and the transactions contemplated thereunder. Your attention is also drawn to the letter from the Independent Board Committee as set out on pages 30 to 31 of this circular which contains the recommendation from the Independent Board Committee to the Independent Shareholders and the letter from the Independent Financial Adviser as set out on pages 32 to 63 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully
By order of the Board
JW (Cayman) Therapeutics Co. Ltd
藥明巨諾(開曼)有限公司*
Yiping James Li
Chairman

* *For identification purpose only*

JW (Cayman) Therapeutics Co. Ltd
藥明巨諾（開曼）有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2126)

December 30, 2022

To the Independent Shareholders

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION IN RELATION TO LICENSE AND COLLABORATION AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular of the Company dated December 30, 2022 (the "**Circular**") of which this letter forms a part. Unless otherwise defined, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in respect of the License and Collaboration Agreement. Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board on pages 5 to 29 of the Circular, which sets out details of the License and Collaboration Agreement. We also wish to draw your attention to the letter from the Independent Financial Adviser set out on pages 32 to 63 of the Circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the License and Collaboration Agreement and the transaction contemplated thereunder.

Having considered the reasons for and benefits of the entering into the License and Collaboration Agreement and the advice of the Independent Financial Adviser, we consider that the matters in relation to the License and Collaboration Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favor of the ordinary resolution to approve the License and Collaboration Agreement and the transaction contemplated thereunder, particulars of which are set out in the notice of EGM set out on pages 70 to 72 of this Circular.

Yours faithfully
For and on behalf of the Independent Board Committee
Mr. Chi Shing Li
Mr. Yiu Leung Andy Cheung
Mr. Kin Cheong Kelvin Ho
Independent non-executive Directors

* *For identification purpose only*

The following is the text of a letter of advice from Somerley Capital Limited prepared for the purpose of inclusion in this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the License and Collaboration Agreement and the transactions contemplated thereunder.

SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong
December 30, 2022

To: The Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION IN RELATION TO LICENSE AND COLLABORATION AGREEMENT

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and Independent Shareholders in connection with the License and Collaboration Agreement, details of which are set out in the letter from the Board contained in the circular to the Shareholders dated December 30, 2022 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Company has entered into the License and Collaboration Agreement dated December 19, 2022 (Eastern time) (being December 20, 2022 Hong Kong time) with Juno, pursuant to which the Company and Juno shall establish a strategic alliance for the research, development, manufacturing and commercialisation in Greater China of new cellular therapy products specifically directed to a solid tumor antigen known as DLL3.

Pursuant to the License and Collaboration Agreement, Juno has granted the Company certain rights and licenses in patents and know-how controlled by Juno that are necessary or reasonably useful to develop, manufacture and commercialise the Product in Greater China and the Company has agreed to, among others, make certain milestone and royalty payments to Juno, all as discussed in greater detail below.

As of the Latest Practicable Date, Juno, being one of the Substantial Shareholders holding 17.09% of the Company, is therefore a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the transactions contemplated under the License and Collaboration Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of maximum amount of the Opt-In Payment under the License and Collaboration Agreement exceeds 5%, and the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the maximum aggregate amount of development milestone payment and reimbursements with respect to the development and commercialisation of the Product exceeds 5%, the transactions contemplated under such agreement are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chi Shing Li, Mr. Yiu Leung Andy Cheung, Mr. Kin Cheong Kelvin Ho, has been established to advise the Independent Shareholders on the License and Collaboration Agreement and transactions contemplated thereunder (the "**Transaction**"). We, Somerley, have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Transaction. Details of the Transaction are set out in the Circular.

During the past two years, there were no engagements between the Company and Somerley and we are not associated or connected with the Company, Juno or their respective substantial shareholders or associates. Accordingly, we are independent from the Company and Juno for the purpose of Rule 13.84 of the Listing Rules and are considered eligible to give independent advice on the Transaction. Apart from normal professional fees payable by the Company to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, Juno or their respective substantial shareholders or associates.

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, the "**Management**"), which we have assumed to be true, accurate, complete and not misleading as at the date of this letter. We have reviewed the published information on the Company, including the Company's prospectus dated 22 October 2020 (the "**Prospectus**"), the annual report of the Company for the year ended 31 December 2020 (the "**2020 Annual Report**"), the annual report of the Company for the year ended 31 December 2021 (the "**2021 Annual Report**") and the interim report of the Company for the six months ended 30 June 2022 (the "**2022 Interim Report**"). We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed by them. We

consider that the information we have received is sufficient for us to reach our opinion and advice as set out in this letter. We have no reason to doubt the truth, accuracy or completeness of the information provided to us or to believe that any material facts have been omitted or withheld. We have not, however, conducted any independent investigation into the business and affairs of the Group or Juno, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Transaction, we have taken into account the following principal factors and reasons:

1. Information on the Group

1.1 Background information of the Group

The Company is a limited liability company incorporated in Cayman Islands and its shares have been listed on the Main Board of the Stock Exchange since November 2020.

As disclosed in the letter from the Board set out in the Circular, the Company is an independent and innovative biotechnology company focusing on the developing, manufacturing and commercialising cell immunotherapy products. Founded in 2016, the Company is committed to becoming an innovation leader in cell immunotherapy. The Company has built a top world-class platform for technology and product development in cell immunotherapy, as well as a promising product pipeline covering both hematologic malignancies and solid tumors, to bring hope of cure for Chinese and global patients, and to lead the healthy and standardised development of China's cell immunotherapy industry.

The Company's lead product is Carteyva® (relmacabtagene autoleucel ("**relma-cel**")) which is a potential superior anti-CD19 chimeric antigen receptor T-cell ("**CAR-T**") therapy intended for the treatment of a range of hematological cancers. The successful approval of Carteyva® by the National Medical Products Administration of China in September 2021 and the establishment of the commercialisation team marked another major milestone on the Company's journey, as it made the transition from the clinical development stage into commercialisation and confirmed its status as a leading cell therapy company in China. For more information, please visit **www.jwtherapeutics.com**.

1.2 Financial performance of the Group

Set out below is key financial information on the Group as extracted from the consolidated income statement for the (i) financial years ended 31 December 2019 ("**FY2019**"), 31 December 2020 ("**FY2020**") and 31 December 2021 ("**FY2021**"); and (ii) six months ended 30 June 2021 ("**1H2021**") and 30 June 2022 ("**1H2022**"), details of which are set out in the 2020 Annual Report, the 2021 Annual Report and 2022 Interim Report.

	Six months ended 30 June		**Financial years ended 31 December**		
	2022	**2021**	**2021**	**2020**	**2019**
	(Unaudited)		**(Audited)**		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	66,007	—	30,797	—	—
Cost of sales	(42,876)	—	(21,752)	—	—
Gross profit	23,131	—	9,045	—	—
Other income	7,106	3,933	6,444	1,322	5,483
Other gains/(losses) — net	(90,936)	(725)	12,075	27,617	(1,165)
Selling expenses	(84,447)	(46,176)	(170,732)	(13,268)	—
General and administrative expenses	(90,922)	(105,101)	(201,518)	(231,294)	(72,892)
Research and development expenses	(195,887)	(185,509)	(414,397)	(225,215)	(136,107)
Operating Loss	**(431,955)**	**(333,578)**	**(759,083)**	**(440,838)**	**(204,681)**
Finance income — net	2,701	1,397	5,604	2,671	469
Fair values loss of preferred shares	—	—	—	(1,190,797)	(128,781)
Fair values gain/(loss) of warrants	—	51,486	51,151	(34,839)	(300,264)
Loss before income tax	**(429,254)**	**(280,695)**	**(702,328)**	**(1,663,803)**	**(633,257)**
Income tax expense	—	—	—	—	—
Loss for the period/year attributable to equity holders of the Company	**(429,254)**	**(280,695)**	**(702,328)**	**(1,663,803)**	**(633,257)**

Revenue and cost of sales

The Group did not record any revenue for FY2019 and FY2020. The Group reported its first revenue of approximately RMB30.8 million for FY2021 attributable to the commencement of commercialisation of Carteyva® as a third-line treatment for relapsed or refractory large B-cell lymphoma in the last four months of 2021. Cost of sales was approximately RMB21.8 million. The Company has disclosed in its 2021 Annual Report that it expects the gross profit margin, at around 29.4% for FY2021, to grow continuously from the second half of 2022 with the implementation of its cost reduction plan as more patients are treated with Carteyva®.

The Company reported revenue of approximately RMB66.0 million for 1H2022 due to the commercialisation of Carteyva®. Gross profit margin for 1H2022 was approximately 35.0%.

Operating losses

The Group reported an operating loss of approximately RMB440.8 million for FY2020 as compared to approximately RMB204.7 million in FY2019. This was mainly due to the reporting of (i) an increase in general and administrative expenses of approximately 217.3%; and (ii) an increase in research and development ("**R&D**") expenses of approximately 65.5%. The increase in general and administrative expenses was predominately due to an increase in employee benefit expense during FY2020.

The Group reported an operating loss of approximately RMB759.1 million in FY2021, which was a further increase from an operating loss of around RMB440.8 million in FY2020 mainly due to (i) increases in selling expenses from approximately RMB13.3 million in FY2020 to approximately RMB170.7 million in FY2021 as a result of the increase in promotion fees and commercial activities carried out to support the commercialisation of Carteyva®; and (ii) increase in R&D expenses during FY2021.

Operating losses for 1H2022 increased by approximately 29.5% as compared to 1H2021 mainly due to the net effect of (i) increase in gross profit for reasons in 1H2022 discussed above; and (ii) increase in other losses (net) which was due to the recognition of a net foreign exchange loss of approximately RMB91.1 million in 1H2022 as compared to a net foreign exchange gain of RMB4.4 million in 1H2021.

Loss attributable to equity holders of the Company

The Group has been loss-making for the past three consecutive financial years.

Loss attributable to equity holders of the Company enlarged to approximately RMB1,663.8 million, or by around 162.7%, in FY2020 as compared to FY2019 mainly due to the recognition of a fair values loss of preferred shares amounted to approximately RMB1,190.8 million.

Loss attributable to equity holders of the Company narrowed to approximately RMB702.3 million in FY2021 as compared with FY2020 mainly due to the net effect from (i) the increase in gross profit for reasons discussed in the paragraphs above; (ii) the de-recognition of fair values loss of preferred shares as a result of the listing of the Company's shares on the Stock Exchange in 2020; (iii) the de-recognition of warrants of upfront payment (as defined in the B cell maturation antigen license agreement with Juno) due to the decision made by BMS to discontinue clinical development of orvacabtagene autoleucel; and (iv) increase in R&D expenses and selling expenses in FY2021 as discussed above.

Loss for 1H2022 enlarged by approximately 52.9% as compared with 1H2021 mainly due to (i) increase in operating loss for 1H2022 as discussed above; and (ii) the recognition of one-time non-cash income in 1H2021 from de-recognition of "warrants of upfront payment" under THE B Cell maturation antigen license agreement with Juno when Juno discontinued clinical development of orvacabtagene autoleucel, and the absence of such one-time non-cash income item in 1H2022.

1.3 Financial position of the Group

Set out below is a summary of the condensed consolidated balance sheet of the Group as at 30 June 2022 and 31 December 2021 as extracted from the 2022 Interim Report:

	As at	
	30 June 2022	**31 December 2021**
	(Unaudited)	**(Audited)**
	RMB'000	*RMB'000*
Non-current assets		
Property, plant and equipment	320,878	319,894
Right-of-use assets	52,607	45,784
Intangible assets	849,802	816,289
Prepayment for license	6,711	6,376
Other non-current assets	28,370	33,223
	1,258,368	1,221,566
Current assets		
Inventories	26,411	31,402
Other current assets	17,661	17,405
Trade receivable	6,048	—
Other receivables and prepayments	12,889	11,834
Cash and cash equivalents	1,519,731	1,834,399
Financial assets at fair value through profit or loss	30,223	—
Amount due from related party	23,687	—
	1,636,650	1,895,040
Total assets	**2,895,018**	**3,116,606**
Current liabilities		
Lease liabilities	13,842	15,186
Borrowings	8,500	5,000
Trade and other payables	143,004	178,714
	165,346	198,900
Non-current liabilities		
Borrowings	89,000	95,000
Lease liabilities	38,680	31,849
	127,680	126,849
Total liabilities	**293,026**	**325,749**

	As at	
	30 June 2022	**31 December 2021**
	(Unaudited)	**(Audited)**
	RMB'000	*RMB'000*
Equity attributable to the owners of the Company		
Share capital	27	27
Reserves	6,382,422	6,142,033
Accumulated losses	(3,780,457)	(3,351,203)
Total Equity	**2,601,992**	**2,790,857**

Total assets of the Group were around approximately RMB2,895.0 million as at 30 June 2022, in which total non-current assets amounted to approximately RMB1,258.4 million and total current assets amounted to approximately RMB1,636.7 million.

Non-current assets of the Group as at 30 June 2022 and 31 December 2021 mainly comprised, among other things, intangible assets and property, plant and equipment. Balance of total non-current assets as of 30 June 2022 increased by approximately 3.0% as compared with that as of 31 December 2021 mainly due to increase in the carrying value on intangible assets as at 30 June 2022 mainly resulting from currency translation differences.

Current assets of the Group as at 30 June 2022 and 31 December 2021 mainly comprised, among other things, cash and cash equivalent. Balance for current assets of the Group as at 30 June 2022 decreased from approximately RMB1,895.0 million to approximately RMB1,636.7 million mainly because of the decreases in cash and cash equivalent mainly due to the increase in cash used in operations.

Total liabilities of the Group were around RMB293.0 million as at 30 June 2022 which represented a decrease of approximately 10.0% as compared to the balance as at 31 December 2021. Such decrease was mainly attributable to decrease in the carrying value of trade and other payables from approximately RMB178.7 million as at 31 December 2021 to approximately RMB143.0 million as at 30 June 2022.

Equity attributable to owners of the Company decreased from approximately RMB2,790.9 million as at 31 December 2021 to approximately RMB2,602.0 million as at 30 June 2022 mainly as a result of the net loss incurred by the Group during the period. Based on total number of issued Shares of 411,034,490 as of the Latest Practicable Date, the net asset attributable to owners of the Company per Share was approximately RMB6.3 as at 30 June 2022.

2. Information on Juno

Juno is a biotechnology company incorporated in Delaware, the U.S. It is a wholly-owned subsidiary of Celgene, which is in turn wholly-owned by BMS, a U.S. multinational company listed on the New York stock exchange in the U.S. (NYSE: BMY) and one of the world's largest pharmaceutical companies with a market capitalisation of approximately US$155.9 billion as of the Latest Practicable Date. Juno focuses on developing innovative cellular immunotherapies for the treatment of cancer. As of the Latest Practicable Date, Juno directly held approximately 17.09% equity interests in the Company, therefore, Juno is one of the Substantial Shareholders and a connected person of the Company as defined under the Listing Rules.

BMS is engaged in the discovery, development, licensing, manufacturing, marketing, distribution and sale of biopharmaceutical products on a global basis. Its principal strategy is to combine the resources, scale and capability of a pharmaceutical company with the speed and focus on innovation of the biotech industry. Its focus as a biopharmaceutical company is on discovering, developing and delivering transformational medicines for patients facing serious diseases in areas such as oncology (both solid tumors and hematology), immunology, cardiovascular and neurology.

According to the annual report of BMS for FY2021, it recorded a revenue growth of around 9% with a total revenue of approximately US$46.4 billion in FY2021 comparing with that of approximately US$42.5 billion in FY2020. BMS also invested heavily in the R&D in its pipeline with approximately US$11.4 billion spent during FY2021 and its equity attributable to shareholders of the company being approximately US$35.9 billion as at 31 December 2021. The existing pipelines of BMS involves 11 positive phase 3 clinical trial readouts, 7 high potential mid- to late-stage assets and more than 50 early-stage assets, demonstrating its strong and leading position in the field.

3. Reasons for entering into the License and Collaboration Agreement

As disclosed in the letter from the Board set out in the Circular, the Company has established a close cooperative relationship with Juno, and continuation of this relationship with Juno is critical to the Company's business and development. For the Company to continue to execute on its business strategy to focus on potential opportunities in the cell therapy space that it deems to

possess high growth or breakthrough technology potential, it is critical that the Company be able to leverage its CAR-T research, development, manufacturing and commercialisation strengths in order to build on the foundation of this established relationship with BMS, which is one of the few pharmaceutical companies in the world with a track record of completing CAR-T commercialisation, and is a much-preferred partner of the Company.

The Company has selected DLL3 as the target of its new CAR-T therapy because DLL3 is widely expressed in a variety of malignant tumors, including small cell lung cancer ("**SCLC**"), and increased DLL3 expression is associated with later stage disease. DLL3 has been validated as a target in a type of solid tumor in several different platforms, but most have had limited results. The Company believes that the right CAR construct and use of T cells is necessary to see durable responses.

The Company has selected the DLL3 construct produced by Juno because the pre-clinical data are promising, robust and trusted, and the Company believes that the Licensed Construct is more likely to provide low toxicity and a high level of killing of targets with lower level target expression. Other pharmaceutical companies are seeking to develop treatments for the said type of solid tumor that are directed to DLL3. However, no clear front-runner has emerged to date. Accordingly, the Company believes that a CAR-T therapy directed to DLL3 for the treatment of the said type of solid tumor has significant potential.

As further disclosed in the letter from the Board set out in the Circular, the Directors are of the view that the License and Collaboration Agreement between the Company and Juno will further leverage the Company's world-class integrated capabilities including translational research and clinical development and its extensive understanding of the unmet clinical needs of the population and accelerate the development of more cell immunotherapy products with breakthrough therapeutic value to serve more patients with cancer in China and potentially worldwide.

We noted from the 2021 Annual Report that, as one of the business strategies, the Company intends to grow its business through in-licensing opportunities, partnerships and selective acquisitions as well as in-house R&D. As stated in the 2022 Interim Report and the Prospectus, since the establishment of the Company, it has used a mix of in-licensing opportunities, selective acquisitions and in-house R&D to fuel its growth into a leading cell therapy player in China. The Company leveraged onto the exclusive licenses of certain rights from Juno to introduce relma-cel and JWCAR129 into its pipeline, and it also acquired rights from Lyell Immunopharma, Inc. and rights in relation to a licensing agreement entered into between Eureka Therapeutics Inc., Eureka Therapeutics (Cayman) Inc. and Syracuse Biopharma (Cayman) Ltd ("**Syracuse Cayman**") through its acquisition of a majority stake in Syracuse Cayman, which enabled the Company to introduce JWATM203/213 and JWATM204/214 into its pipeline.

We understand that the Company has established a close cooperative relationship with Juno prior to its listing, and maintaining a long-term business relationship with Juno is critical to the Company's business and development. The Company entered into a license and strategic alliance agreement with Juno on 13 December 2017 (the "**License and Strategic Alliance Agreement**") pursuant to which Juno granted the Company a series of rights and licenses in certain engineered T-cell pipeline products and platform technology for the development of relma-cel, the Company's current lead product under the trade name Carteyva®, and the commercialisation of Carteyva® has commenced in September 2021 which, as discussed in section headed "1.2 Financial performance of the Group" above, has since then started to contribute revenue to the Group. In view of such successful precedent and the long-term cooperative relationship between the Company and Juno, and in particular, that the Juno DLL3 construct is considered by the Company to be a suitable construct for which the Company believes it can leverage onto its know-how in Relma-cel development to further develop the Product, we concur with the view of the Board that the entering into of the License and Collaboration Agreement is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the License and Collaboration Agreement

Date

December 19, 2022 (Eastern time) (being December 20, 2022 Hong Kong time)

Parties

(i) the Company; and

(ii) Juno

Subject Matter

Pursuant to the terms and conditions set forth in the License and Collaboration Agreement:

4.1 Grants of Licenses to the Company

Juno grants to the Company:

(i) A license under certain patents and know-how controlled by Juno, solely to (i) develop, commercialise, manufacture or have manufactured the Product in Greater China; and (ii) modify the Product (including the Licensed Construct) in Greater

China in accordance with the License and Collaboration Agreement. This license is exclusive, subject to Juno's Opt-In Rights as described below, and it is sublicensable and transferable to a limited extent as provided in the License and Collaboration Agreement;

(ii) A non-exclusive license under certain patents and know-how controlled by Juno to develop, commercialise, manufacture or have manufactured certain Juno Diagnostic Products, solely for use in connection with the Product in Greater China; and

(iii) A non-exclusive license to use Juno's corporate names on the packaging and labelling of the Product or related Juno Diagnostic Products solely as required by applicable law in Greater China to develop, commercialise, manufacture or have manufactured the Product or related Juno Diagnostic Products in Greater China.

4.2 Opt-In Right

The Company grants to Juno an exclusive right, exercisable in Juno's sole discretion, to co-commercialise the Product and related Juno Diagnostic Products with the Company in Greater China (the "**Opt-In Right**"). There are two periods during which Juno is allowed to exercise the Opt-In Right.

If Juno exercises the Opt-in Right:

(i) The Company and Juno shall co-commercialise the Product and related Juno Diagnostic Products in Greater China and shall share equally the profits and losses (as the case may be) relating to the development, commercialisation and manufacturing of the Product in Greater China. Depending on the timing of Juno's exercise of the Opt-In Right, certain allowable development expenses incurred by the Company may be included in the calculation of profit and loss.

(ii) Juno shall make a one-time payment to the Company (the "**Opt-In Payment**"). The amount of the Opt-In Payment may be lower or higher depending on whether the first pivotal trial for the Product in Greater China has already been initiated at the time when Juno exercises the Opt-In Right. The amount of the Opt-In Payment will not in any event exceed US$50 million in aggregate.

(iii) No milestone payments or royalty payments will be due from the Company to Juno in connection with the Product and related Juno Diagnostic Products, except that if, prior to the time at which Juno exercises the Opt-In Right, the Company has reimbursed (or accrued an obligation to reimburse) Juno for milestone payments owed by Juno to third parties with respect to the development of the Product and related Juno Diagnostic Products in Greater China, as described under "Milestone payments" and "Royalty payments" in the letter from the Board in the Circular, Juno will be entitled to retain such reimbursed amounts (or receive such accrued amounts, as the case may be).

The annual cap for profit-sharing payments to be paid by the Company to Juno and loss-sharing payments to be paid by Juno to the Company pursuant to the License and Collaboration Agreement in the event that Juno exercises the Opt-In Right will be determined in accordance with the following formula:

Annual cap for profit and loss-sharing payments = 50% × annual net profit/net loss from sales of the Product and related Juno Diagnostic Products (including, where applicable, reimbursement by Juno of any allowable development expenses incurred by the Company)

4.3 Milestone payments

If Juno does not exercise the Opt-In Right, the Company will make a development milestone payment to Juno. In addition, the Company is required to reimburse to Juno all milestone payments owed by Juno to third parties with respect to the development or commercialisation of the Product in Greater China pursuant to in-license agreements existing at the time of such development or commercialisation (the "**Reimbursement(s)**"). The aggregate amount of such development milestone payments and Reimbursements (being the amount payable by Juno to third parties) with respect to the development and commercialisation of the Product (assuming the Product is only developed for one indication) will not in any event exceed US$35 million in aggregate (together, the "**Milestone Payment(s)**"). The Company has no current plan to develop the Product for any indication other than SCLC. In the event that the Company elects in the future to commence development of the Product for any additional indication(s), and if development of the Product for such indication(s) would cause the aggregate amount of development milestone payments and reimbursements with respect to the commercialisation and development of the Product to exceed US$35 million, the Company will seek shareholder approval as required by, and in compliance with, all applicable Listing Rules.

4.4 Royalty payments

If Juno does not exercise the Opt-In Right, the Company will (i) make tiered royalty payments to Juno on annual net sales of the Product and (ii) reimburse to Juno all royalties owed by Juno to third parties with respect to the development or commercialisation of the Product in Greater China pursuant to in-license agreements existing at the time of such development or commercialisation. The aggregate amount of such royalty payments and reimbursements (being the amount payable by Juno to third parties) with respect to the development and commercialisation of the Product will not in any event exceed 16% of annual net sales of the Product in Greater China (together, the "**Product Royalty Payment(s)**"). The Company shall pay royalty payments and reimbursements to Juno with respect to the aggregate annual net sales of any related Juno Diagnostic Products in Greater China. The aggregate amount of such royalties and reimbursements (being the amount payable by Juno to third parties) will not in any event exceed 11% of annual net sales of such related Juno Diagnostic Products (together with the Product Royalty Payment(s), collectively the "**Royalty Payment(s)**") in Greater China. The annual caps for royalty payments and reimbursements to be paid to Juno pursuant to the License and Collaboration Agreement in the event that Juno does not exercise the Opt-In Right will be determined in accordance with the following formula:

Annual cap for royalty payments and reimbursements with respect to the Product = 16% × annual net sales of the Product

Annual cap for royalty payments and reimbursements with respect to related Juno Diagnostic Products = 11% × annual net sales of related Juno Diagnostic Products

4.5 Grant of License to Juno

The Company grants a non-exclusive and sublicensable license in the JW Grantback IP for Juno to exploit any products that are developed by Juno outside Greater China. In the event that Juno, its affiliates or any of its licensees obtains a regulatory approval for such products in the U.S. or any of the major markets in the European Union, Juno will make a one-time, non-refundable and non-creditable payment to the Company which will not in any event exceed US$10 million.

4.6 Technology transfers relating to JW Manufacturing Process

In the event that Juno requests a technology transfer with respect to the JW Manufacturing Process, Juno will make one or more one-time, non-refundable, non-creditable payments to the Company. The amount of payments due from Juno to the Company upon the occurrence of any such technology transfer will not in any event exceed US$10 million in aggregate (the "**Technology Transfer Fee**").

4.7 Basis of consideration of the License and Collaboration Agreement

As stated in the letter from the Board set out in the Circular, the amounts of (i) the development milestone payment, third party milestone payment reimbursements, tiered royalty payments and third party royalty reimbursements due from the Company to Juno (if Juno does not exercise the Opt-In Right); (ii) the Opt-In Payment due from Juno to the Company (if Juno does exercise the Opt-In Right); and (iii) the payments due from Juno to the Company with respect to the JW Grantback IP License (where applicable), were negotiated on an arm's length basis between the parties on normal commercial terms. In arriving at its decision concerning appropriate values for (i) the development milestone payment, third party milestone payment reimbursements, tiered royalty payments and third party royalty reimbursements due from the Company to Juno (if Juno does not exercise the Opt-In Right); and (ii) the Opt-In Payment due from Juno to the Company (if Juno does exercise the Opt-In Right), the Board considered a wide range of factors, including (a) the technologies and know-how possessed by Juno; (b) future prospects for the development and commercialisation of the Product in Greater China, including expected demand for the Product in Greater China based on addressable patient population and unmet medical needs; and (c) investment necessary for, and risks associated with, development and commercialisation of the Product.

To incorporate the above factors into acceptable values for the milestone payments, royalty payments and the Opt-In Payment, the Board has taken into account the overall value of commercialising the Product in Greater China, net of the estimated investment amount for the development of the Product, including milestone payments and reimbursements in the amount of US$35 million in aggregate, future expenses to commercialise the Product, being costs and expenses associated with conducting clinical trials in Greater China as well as sales and marketing-related expenses, and the payment obligations for tiered royalties under the License and Collaboration Agreement. The foregoing considerations form the basis for the Board's determination that the agreed values for the milestone payments, royalty payments and the Opt-In Payment in the License and Collaboration Agreement are fair and reasonable

and in the interests of the Company and the Shareholders as a whole. In particular, as stated in the letter from the Board set out in the Circular, the Board considered the following additional factors:

- Therapies directed to DLL3 have substantial commercial potential, as DLL3 is a highly prevalent antigen in a variety of malignant tumors, including SCLC and other neuroendocrine tumors.

- For illustrative purposes only, one of the target indications for DLL3, namely, SCLC, is chosen as an example to demonstrate the market potential of therapies directed to DLL3. According to the Chinese Medical Journal (2022), the incidence of lung cancer in China is approximately 870,000 cases per year. Based on publicly available data, SCLC represents approximately 15–20% of the incidence of lung cancer and the Company estimates that the five-year survival rate for patients diagnosed with these conditions is less than 5% with respect to SCLC. SCLC is a disease with poor prognosis and limited treatment options. According to Journal of Hematology & Oncology (2019), the expression percentage of DLL3 in SCLC is approximately 80%. Taking (i) the historical incidence of SCLC in China; and (ii) the estimated prevalence of DLL3 among patients with such cancer into account, for illustrative purposes only, DLL3-positive SCLC are expected to have a prevalence of approximately 104,000 patients in China.

- On the basis of the foregoing data, demand in China for effective treatments for SCLC is expected to be substantial.

- To the best of the Company's knowledge, few pharmaceutical companies have publicly indicated that they may be conducting pre-clinical research on cellular immunotherapies directed to DLL3 in China, and no company has publicly announced that it is conducting clinical trials on such cellular immunotherapies in China at present. Accordingly, the Company believes that it can be among the early movers in a highly promising market through development of cell a therapy directed to DLL3 in China.

- Moreover, Juno is a leader in the field of cell therapy and has applied its scientific expertise in extensive pre-clinical research to generate the Licensed Construct. The Company's own expertise in process development, cell therapy manufacturing and clinical research (including access to patient populations for clinical studies) have been demonstrated by its successful development and commercialisation of relma-cel™ in China. The Company believes that this combination of Juno's

expertise with the Company's own expertise will enable it to compete effectively with other biotech companies that may be seeking to develop cell therapies directed to DLL3 in China.

In arriving at its decision concerning appropriate values for the payments due from Juno to the Company with respect to the JW Grantback IP License (where applicable), the Board noted that the utility for the Company of the intellectual property licensed by the Company from Juno under the License and Collaboration Agreement is substantially higher than the utility for the JW Grantback IP to Juno, and the Board also noted the relative strengths of the Company's advanced manufacturing process in relation to Juno's own advanced proprietary manufacturing process. Furthermore, the Board considered the following additional factors:

- The core of the License and Collaboration Agreement is the grant by Juno of license rights in certain patents and know-how controlled by Juno for the purpose of enabling development and commercialisation of the Product in Greater China, and the commercial terms of this core aspect of the License and Collaboration Agreement are considered by the Board to be advantageous to the Company.

- In the scenario in which Juno does not exercise the Opt-In Right, the fact that Juno is willing to grant such license without requiring any upfront payment is considered to be advantageous to the Company.

- In the scenario in which Juno exercises the Opt-In Right, depending on the stage of development of the Product at the time when the Opt-In Right is exercised, Juno would make a substantial payment (in aggregate not exceeding US$50 million) to the Company, the Company would then owe no development milestone payments or royalty payments to Juno, and Juno would then share equally with the Company the manufacturing costs and commercialisation costs, as well as certain development costs, relating to the development, commercialisation and manufacturing of the Product in Greater China. This is highly beneficial to the Company and the Shareholders as a whole.

- The net benefits and costs to the Company and the Independent Shareholders of other commercial terms of the License and Collaboration Agreement, such as the terms of the JW Grantback IP License, are of incidental significance compared to the net benefits that the Company and the Independent Shareholders may gain from the core terms of the License and Collaboration Agreement as outlined above.

- Accordingly, the Directors believe that it is inappropriate to evaluate the net benefits and costs to the Company and the Independent Shareholders of the JW Grantback IP License in isolation, rather than as incidental features of an overall transaction that is centered on the Company's in-licensing, on advantageous terms, of intellectual property rights owned by Juno that have significant potential. The Directors are of the view that the amounts payable by Juno to the Company with respect to the JW Grantback IP License are fair and reasonable in the context of the overall benefits that the Company, including the Independent Shareholders, may receive from entering into the License and Collaboration Agreement.

The foregoing considerations form the basis for the Board's determination that the agreed values for (i) the development milestone payment, third party milestone payment reimbursements, tiered royalty payments and third party royalty reimbursements due from the Company to Juno (if Juno does not exercise the Opt-In Right); (ii) the Opt-In Payment due from Juno to the Company (if Juno does exercise the Opt-In Right); and (iii) the payments due from Juno to the Company with respect to the JW Grantback IP License (where applicable) in the License and Collaboration Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4.8 Term

Except as otherwise set forth in the co-commercialisation agreement which the Company and Juno shall negotiate in good faith and enter into with respect to co-commercialisation of the Product should Juno exercise the Opt-In Right, the License and Collaboration Agreement will continue until the expiration of the royalty terms (as defined below), unless earlier terminated in accordance with the terms of the License and Collaboration Agreement or by mutual written agreement of the parties.

4.9 Conditions precedent

The License and Collaboration Agreement shall become effective upon the Company having obtained the independent Shareholders' approval at the EGM in relation to the License and Collaboration Agreement and the transactions contemplated thereunder.

4.10 Royalty term

The royalty term with respect of the Product and/or related Juno Diagnostic Product (the "**Royalty Term(s)**") will begin on the first commercial sale of the Product in Greater China and end upon the later of:

(a) the expiration of the last-to-expire valid claim of the patents licensed to the Company that covers the composition of matter or method of use of the Product; and

(b) the 10th anniversary of the date of the first commercial sale of the Product in Greater China.

4.11 Non-compete

Pursuant to the License and Collaboration Agreement, each of the Company and Juno shall not, directly or indirectly, conduct any activity involving any competing products against the Product in Greater China.

5. Evaluation of the terms of the License and Collaboration Agreement under the Opt-In Scenario

Opt-In Payment

Pursuant to the terms of the License and Collaboration Agreement, if Juno exercises the Opt-in Right (the "**Opt-In Scenario**"), the Company and Juno shall co-commercialise the Product and related Juno Diagnostic Products in Greater China and shall share equally the profits and losses relating to the development, commercialisation and manufacturing of the Product in Greater China, including development and/or commercialisation costs. This arrangement essentially represents a cooperation between the Company and Juno on the Product on a 50%/50% basis once Juno exercises the Opt-In Right.

In this regard, we have discussed with the Management and understand that, in developing and commercialising any biological products and in particular, biological product in its early stage of development, substantial amount of time and capital will need to be committed whilst there are risks and uncertainties associated throughout the entire process from nonclinical and clinical development of the products, the obtaining of regulatory approvals and development of sustainable manufacturing process for the product, to the challenges in tackling competing technological and market competition and obtaining market acceptance etc. As such, the Company considers the grant of the Opt-In Right to Juno

representing a good opportunity to possibly cooperate with Juno, being a major player in the new cell therapy development field who is expected to provide strategic advantage for the Company to maintain its competitiveness by jointly developing and/or commercialising the Product, whilst at the same time, share the embedded risks and costs along the process as discussed above, pursuant to the exercise of the Opt-In Right. Additionally, we have discussed with and understand from the Management that the entering into of the License and Collaboration Agreement and the possibility of the joint development and commercialisation of the Product is reflective of Juno's endorsement of the Company's capabilities. Under this scenario and following the exercise of the Opt-In Right, no milestone payments or royalty payments will be due from the Company to Juno in connection with the Product.

In our view, this possible joint development and commercialisation arrangement which will entitle Juno to share 50/50 split of the profit or loss (if any), including development costs and/or commercialisation costs commencing from the time the Opt-In Right is exercised in the future with the Company, will only be considered reasonable and justifiable if the Opt-In Payment payable by Juno to the Company represents not less than half of the total R&D costs of the Product then incurred by the Group immediately prior to the exercise of such Opt-In Right. In this regard, we have requested from the Company for the schedule on the R&D costs for the R&D of the Product according to the current development plan pursuant to the License and Collaboration Agreement for the purpose of comparing with the Opt-In Payment receivable from Juno. Based on the schedule, we noted that the respective Opt-In Payment indeed represents no less than 50% of the then accumulative total costs to be incurred by the Group for the R&D of the Product up to the end of the respective windows for exercising the Opt-In Right. As such, given that (i) the Opt-In Right is built-in in a view to allow the possible co-development and co-commercialisation of the Product and related Juno Diagnostic Products by the Company and Juno in Greater China which is believed to be beneficial to the Company in terms of strategic advantages and risk diversification as discussed above; (ii) as discussed above, the respective Opt-In Payment represents no less than 50% of the then accumulative total costs to be incurred for the R&D of the Product up to the end of the respective windows for exercising the Opt-In Right; and (iii) pursuant to the exercise of the Opt-In Right by Juno, the Company and Juno shall co-develop and/or co-commercialise the Product and related Juno Diagnostic Products in Greater China and shall share equally the profits and losses relating to the development, commercialisation and manufacturing of the Product in Greater China, including development and/or commercialisation costs, we consider that the grant of the Opt-In Option, together with the Opt-In Payment, are fair and reasonable to the Company.

6. Evaluation of the terms of the License and Collaboration Agreement under the No Opt-In Scenario

Milestone Payment(s) and Royalty Payments

As disclosed in the letter from the Board set out in the Circular, according to the Company, Legend Biotech announced on November 21, 2022 that the U.S. Food and Drug Administration had approved its investigational new drug ("**IND**") application for clinical trials in the United States of a CAR-T therapy directed to DLL3 for the treatment of SCLC, and in December 2020 Allogene Therapeutics and Overland Pharmaceuticals announced a joint venture ("**Allogene Overland**") for the development, manufacturing and commercialisation of allogeneic CAR-T therapies directed to a range of targets, including DLL3 among others, in China, Taiwan, South Korea and Singapore. However neither Legend Biotech nor Allogene Overland have publicly announced that they are conducting pre-clinical research on CAR-T therapies directed to DLL3 in China. Aside from the foregoing, the Company is not aware of any other companies that have publicly indicated that they may be seeking at present to develop a cell therapy directed to DLL3 in China.

Against such backdrop, as to the fairness and reasonableness of the Milestone Payment(s) and the Royalty Payments, we have conducted a research, on a best effort basis, on the website of the Stock Exchange and identified prospectus, announcements and circulars published by all listed biotech companies on the Stock Exchange that currently (or was originally) listed under Chapter 18A of the Listing Rules that has/have entered into licensing agreements since 1 January 2020 in relation to the development of (a) CAR-T product(s)/therapy; and/or (b) product(s) for treatment of SCLC, on a non-global basis given the License and Collaboration Agreement being relating to the development, commercialisation, manufacture of the Product in Greater China (i.e. a non-global agreement), with information of key terms disclosed in the relevant prospectus, announcements and/or circulars. Based on such criteria, we have identified a total of 7 comparable license agreements (the "**Comparable Agreements**").

We consider that the research scope is appropriate in providing a reference for the recent market practice in relation to the key terms of the agreements under similar transactions entered into by listed biotech companies. Shareholders should note that the principal products, market capitalisations, profitability and financial positions of the companies undertaking the Comparable Agreements may not be the same as those of the Company, and we have not conducted any in-depth investigation into their businesses, products and operations. As the Comparable Agreements (i) were similar licensing transactions selected after our research on prospectus, announcements and/or circulars published by all listed biotech companies on Stock Exchange that currently (or was originally) listed under Chapter 18A of the Listing Rules, and (ii) provide a general reference of the key terms for similar licensing transactions since 2020 under the prevailing market conditions, we consider, to the best of our knowledge and ability, that the Comparable Agreements are exhaustive, fair and representative in assessing the fairness and reasonableness of the term of the License and Collaboration Agreement. Set forth the table below indicates the extracts of the principal terms of Comparable Agreements:

Date of announcement or agreement	Company name	Agreement	Territory	Upfront and milestone fees	Royalty payments	Term
23 August 2021	CARsgen Therapeutics Holdings Limited (stock code: 2171)	Licensing agreement with HK inno.N Corporation (as licensee)	Korea	An upfront and additional milestone payments totalling up to US$50 million	Up to double-digit percentage royalties on net sales	Not disclosed

11 January 2021	Immunotech Biopharm Ltd (stock code: 6978)	Exclusive license agreement with T-Cure Bioscience, Inc. (as licensor)	Korea, China including Hong Kong and Macau but excluding Taiwan	In aggregate US$12 million, payable as below:
				• Upfront payment of US$2 million
				• Milestone payments as to:
				  • US$1 million upon completion of disclosure and transfer of certain know-how and materials
				  • US$1 million upon receiving approval of the Investigational New Drug application of the licensed product
				  • US$8 million upon receiving marketing approval of the license product
					Net sales less than US$150 million: 5%
					Net sales more than US$150 million but less than US$500 million: 6%
					Net sales more than US$500 million: 7%
						Commence from the date of the license agreement until the earlier occurrence of (i) termination of the exclusive patent license agreement between the U.S. Department of Health and Human Services, as represented by the National Heart, Lung, and Blood Institute, an institute or center of the National Institutes of Health and T-Cure Bioscience, Inc.; and (ii) early termination of the license agreement pursuant to its terms for breach of agreement or either party giving a 30-day notice upon occurrence of a certain specified events

Date of announcement or agreement	Company name	Agreement	Territory	Upfront and milestone fees	Royalty payments	Term
11 January 2021	BeiGene, Ltd. (stock code: 6160) ("**BeiGene**")	Collaboration and license agreement with Novartis Pharma AG (as licensee)	United States, Canada, Mexico, members countries of the European Union, United Kingdom, Norway, Switzerland, Iceland, Liechtenstein, Russia and Japan	Upfront cash payment of US$650 million, up to US$1.3 billion upon the achievement of regulatory milestones and US$250 million upon the achievement of sales milestones	Tiered royalties based on percentages of annual net sales ranging from the high-teens to high-twenties	Unless earlier terminated, the agreement will expire on a country-by-country basis upon expiration of the royalty term (being from the time of the first commercial sale until the latest of the expiration of the last valid patent claim, the expiration of regulatory exclusivity, or 10 years after the first commercial sale) in such country, and will expire in its entirety upon the expiration of all applicable royalty terms in all countries in the licensed territory
19 December 2021	BeiGene, Ltd. (stock code: 6160)	Option, collaboration and license agreement with Novartis Pharma AG (as licensee) (together with BeiGene's agreement dated 11 January 2021 above, the "**BeiGene Agreements**")	United States, Canada, Mexico, members of the European Union, United Kingdom, Norway, Switzerland, Iceland, Liechtenstein, Russia, and Japan	Upfront cash payment of US$300 million for the option, US$600-700 million upon exercise of option (depending on time of exercise); regulatory approval milestone payments of up to US$745 million and up to US$1.15 billion upon the achievement of sales milestones.	Tiered royalties based on percentages of annual net sales ranging from high-teens to mid-twenties.	Unless earlier terminated, the agreement will expire on a country-by-country basis upon the expiration of royalty term (being from the time of the first commercial sale until the latest of the expiration of the last valid patent claim, the expiration of regulatory exclusivity, or 10 years after the first commercial sale) in such country, and will expire in its entirety upon the expiration of all applicable royalty terms under the agreement in all countries in the licensed territory

Date of announcement or agreement	Company name	Agreement	Territory	Upfront and milestone fees	Royalty payments	Term
7 August 2020	The Company	Collaboration agreement with Lyell Immunopharma, Inc. (as licensor) (the "**Lyell Agreement**")*	China, Hong Kong, Macau, Taiwan and member countries of ASEAN	Amount not disclosed (substantial milestone payment upon the first regulatory approval and other milestone payments being a mid-single digits percentage of the related annual net sales targets	In the low single digits as a percentage on annual aggregate net sales	The later of the expiration of the last to expire patent licensed to the Company from Lyell containing a valid claim or 10 years, or terminated by written notice under certain specified circumstances
January 2020	The Company	Option and license agreement with Acepodia Biotechnologies, Ltd.* (as licensor)	China, Hong Kong and Macau	Amount not disclosed (certain upfront, regulatory and commercial milestone payments upon exercise of the option)	High single to low double digits as a percentage of annual net sales	If the option is exercised, the agreement will remain in effect until the expiration of the last to expire of the financial obligations for such product, which is the latter of (i) the date of expiration, or a final judgment on invalidity from which no appeal has been or can be taken, of the last valid claim of a licensed patent in the licensed territory or (ii) the ten year anniversary of the date of the first commercial sale of such product in the licensed territory, or terminated by written notice under certain specified circumstances

Date of announcement or agreement	Company name	Agreement	Territory	Upfront and milestone fees	Royalty payments	Term
27 October 2022	The Company	Collaboration agreement with 2seventy bio, Inc. ("**2seventy bio**")* (as licensor)	Greater China (including Hong Kong and Macau but excluding Taiwan)	Upfront payment of US$3 million, development milestone payments and sales milestone payments not in any event exceed US$70 million in aggregate.	Tiered royalty payments of not exceeding 17% of aggregate annual net sales	The collaboration agreement will continue in effect until expiration of the last royalty term for the last product in Greater China, after which the license(s) granted by 2seventy bio shall become fully paid-up, perpetual and irrevocable. The collaboration agreement may be terminated by written notice under certain specified circumstances

*Note: *As confirmed by the Company, the counterparty of each of such agreements is independent of and not connected with the Company or any of its connected persons (as defined in the Listing Rules.)*

It is noted from the table above that the Comparable Agreements generally include but not limited to, (i) upfront payment, (ii) milestone payments which involved various development milestones such as approval of license product application from regulatory bodies and marketing approval of licensed products; and (iii) royalty payments based on certain percentages of the net sales of the licensed products in the licensed territories. We note that the License and Collaboration Agreement also contains milestone payment(s) and royalties arrangement for different portions of annual net sales. Given the similarities in features, we therefore consider that the payment terms of the License and Collaboration Agreement are in line with the industrial practice and fair and reasonable.

We noted from the table above that the Comparable Agreements would include an upfront payment and other milestone payment(s), and based on the publicly available information, the aggregated upfront payment and milestone payment(s) excluding royalty payments for all the Comparable Agreements ranged between approximately US$12 million to over US$2.2 billion. The total Milestone Payment(s) of the License and Collaboration Agreement, which even include the Reimbursements, of no more than US$35 million is within the range of those of the Comparable Agreements. We have also taken a closer look into those Comparable Agreements involving product(s) in early stage of development (being in phase one/two or preclinical stage of the products, being similar to the under-development stage of the Product) (the "**Comparable Agreements (Early Stage)**"), which include the 5 Comparable Agreements except for the BeiGene Agreements. We observed that the aggregated upfront payment and milestone payment(s) excluding royalty payments for the Comparable Agreements (Early Stage) ranged from approximately US$12 million to approximately US$73 million, and that the total Milestone Payment(s) of the License and Collaboration Agreement, which even include the Reimbursements, of no more than US$35 million is therefore, also within the range of those of the Comparable Agreements (Early Stage).

In addition, under the License and Collaboration Agreement, Royalty Payments are calculated by multiplying each amount of incremental, aggregated net sales of the Product or related Juno Diagnostic Products by the applicable tiered royalty rate of (i) in any event not exceeding 16% of annual net sales of the Product; and (ii) in any event not exceeding 11% of annual net sales of such related Juno Diagnostic Products, in Greater China. The applicable tiered royalty rate is determined with reference to the annual net sales amount achieved during the corresponding calendar year. We noted from the Comparable Agreements that the royalty rates range from low single digit or 5% up to high-twenties on annual net sales and as such, the royalty rates for the Royalty Payments, which even include certain relevant royalty reimbursements, contemplated under the License and Collaboration Agreement are within the range of those of the Comparable Agreements. Further, when comparing the royalty rates under the Comparable Agreements (Early Stage) which ranged from low single digit or 5% up

to not exceeding 17% on annual net sales, with the royalty rates for the Royalty Payments, we note that the royalty rates for the Royalty Payments, which even include certain relevant royalty reimbursements, contemplated under the License and Collaboration Agreement are also within the range of those of the Comparable Agreements (Early Stage).

Furthermore, we have also compared the total Milestone Payment(s) and the Royalty Payments specified in the License and Collaboration Agreement with the Company's licensing agreements entered into with independent third parties (i.e., the Lyell Agreement, the license agreement with Acepodia Biotechnologies, Ltd and the collaboration agreement with 2seventy bio (collectively, the "**Company Independent Agreements**")). Based on the available information published by the Company, we noted that the total Milestone Payment(s) of the License and Collaboration Agreement, which even include the Reimbursements, of no more than US$35 million is also within the range of the aggregated upfront payment and milestone payment(s) excluding royalty payments as specified in the Company Independent Agreements. Furthermore, as shown in the table above, the Royalty Payments is also within the range of the royalty rates of the Company Independent Agreements as a whole which is not exceeding 17% of annual net sales. As such, and on an overall basis, we consider that the terms of the License and Collaboration Agreement (including the Milestone Payment(s) and Royalty Payments) are also no less favourable when compared with those under the Company Independent Agreements.

As discussed above, pursuant to the License and Collaboration Agreement, the Company will need to make reimbursements for milestone and royalty payments owed by Juno to third parties with respect to the Product in Greater China pursuant to in-license agreements existing at the time of such development or commercialisation. We have enquired the Company and were provided by it information on certain licensing agreements in the market and we note that, such agreements also had similar provisions relating to reimbursements of third-party license fees and/or royalties owed by licensor(s). As such, the reimbursement arrangements under the License and Collaboration Agreement are considered in line with the market and therefore, are on normal commercial terms.

Having considered, in particular, the royalty rates adopted and the Milestone Payment(s) being in line with those under the Comparable Agreements identified, we concur with the Directors that the Milestone Payment(s) as well as the royalty rates for the Royalty Payments under the License and Collaboration Agreement are fair and reasonable.

Licenses to Juno

Pursuant to the terms of the License and Collaboration Agreement, the Company shall grant a non-exclusive and sublicensable license in the JW Grantback IP for Juno to exploit any product that are developed by Juno outside Greater China. In the event that Juno, its affiliates or any of its licensees obtains a regulatory approval for such product in the U.S. or any of the major markets in the European Union, Juno will make a one-time, non-refundable, non-creditable payment to the Company which will not in any event exceed US$10 million. The Company also agrees, subject to specified terms and conditions, to provide to Juno technology transfers with respect to the JW Manufacturing Process at the written request of Juno. In the event that Juno requests for such technology transfer, the maximum payments payable by Juno to the Company shall not in any event exceed US$10 million in aggregate (collectively, the "**Licenses to Juno**").

We understand from the Company that the License and Collaboration Agreement is agreed by the parties to, amongst others, grant to the Company necessary licences under certain patents and know-how controlled by Juno to develop, commercialise, manufacture the Product solely in Greater China and through the Licenses to Juno, Juno will retain its rights as regards the Product outside Greater China.

We also understand from the Company that the Licenses to Juno (as defined above) form part and parcel of the entire License and Collaboration Agreement when the Company negotiated the terms of the License and Collaboration Agreement with Juno, we therefore have considered the fairness and reasonableness of the Licenses to Juno together with all other key terms on a totality basis. In this respect, we have considered that:

(i) amongst the Comparable Agreements, we note that the Lyell Agreement had similar non-exclusive license-back provisions to grant back to the licensor a non-exclusive, sublicensable license under its background intellectual property and its interest in the relevant data to research and develop the subject licensed products outside the licensed territory. In addition, based on the Prospectus, no additional disclosure regarding consideration payable by the licensor pursuant to such non-exclusive license-back arrangement was noted. Given the above, the Licenses to Juno is therefore not uncommon and the payments due from Juno to the Company pursuant to the Licenses to Juno also compare no less favourably to that under the Lyell Agreement;

(ii) as discussed in the section headed "3. Reasons for entering into the License and Collaboration Agreement" above, the Company believes that a CAR-T therapy directed to DLL3 for the treatment of a type of solid tumor has significant potential and that the Juno DLL3 construct is perceived as a suitable construct for which the Company believes it can leverage onto its know-how in Relma-cel development to further develop the Product. As such, the License and Collaboration Agreement represents not only a good but also a precious opportunity for the Company to develop the Product with great potential. Coupled with the no up-front payment feature which would not have an immediate cash outflow effect on the Group, the License and Collaboration Agreement is considered by the Board beneficial and advantageous to the Company. As provided by the Company, the Licenses to Juno form part and parcel of the entire License and Collaboration Agreement when the Company negotiated the terms of the License and Collaboration Agreement with Juno. If the License and Collaboration Agreement has not been agreed or is not approved, the Company will lose all the opportunity and benefits as discussed above; and

(iii) most importantly, as discussed above in this section, under the current structure of the License and Collaboration Agreement and the No Opt-In Scenario, we note that the cost to be involved (excluding Royalty Payments) in totality for the Company when compared to the aggregate upfront and milestone fees involved in the Comparable Agreements, falls within the range of the considerations (excluding royalties payments) of the Comparable Agreements.

Having considered all the above, the key terms of the License and Collaboration Agreement including the Licenses to Juno as a whole, are on normal commercial terms and fair and reasonable to the Company and the Shareholders as a whole.

7. License and Collaboration Agreement being for a term longer than three years

As disclosed in the letter from the Board of the Circular, under Rule 14A.52 of the Listing Rules, the period of an agreement for a continuing connected transaction must be fixed, however, the term of the License and Collaboration Agreement is of an indefinite nature as it will, unless terminated in accordance with its terms, remain in effect.

As also disclosed in the letter from the Board of the Circular, the Company believes that it is a market practice in the biotechnology industry for similar collaboration agreements to be entered into for a long term or for an indefinite term, due to the substantial amount of time and capital committed by the collaboration parties and the risks involved in developing and commercialising any biological products. As set out in the letter from the Board in the Circular, the Company has

applied for, and the Stock Exchange has granted the Company, a waiver from strict compliance with the requirement under Rule 14A.52 of the Listing Rules to set a term of not exceeding three years under the License and Collaboration Agreement.

We understand from the Company that the business of researching, developing, producing and commercialising biologics products such as the Product requires a contractual term that is considerably longer than three years. There are inherent uncertainties, such as feasibility and number of eligible patients available at the time of the clinical trials, pertaining to the initial development of any biologics products. The Company further advises that it shall be required to continually invest in research and development efforts over a prolonged period of time in order to maintain sustainability of the development process and to attain eventual success. It takes further extended periods for commercialisation to take off to reach an optimal level and for the clinical trials to extend its early lines of treatment to an expanded pool of addressable patients. If the continuation of the License and Collaboration Agreement is subject to the requirement of independent shareholders' approval every three years, the Company may face unnecessary and substantial risks of failing to renew such agreement upon expiry and losing the Company's significant investments incurred during the initial stage of development competitive advantages, which may even prevent the Company from carrying on its businesses, bringing uncertainty to the Company's continued operations.

In addition, we also noted from our research on Comparable Agreements as shown in the table under the section headed "6. Evaluation of the terms of the License and Collaboration Agreement under the No Opt-In Scenario" above that based on publicly available information, it is not uncommon for license and collaboration agreements to have a rather long, or even an indefinite term. It was disclosed that the Comparable Agreements usually remain in full force and until certain events take place, including but not limited to expiry of last valid claim of a licensed patent that covers such licensed product or after certain years (i.e. 10 years as shown in the table above) upon commercialisation of the licensed products. In view of the above, in particular, the duration of the License and Collaboration Agreement is in line with those of the Comparable Agreements and to avoid unnecessary uncertainty to the Company's continued operations, we concur with the Management's view that an indefinite contract term for the License and Collaboration Agreement is in accordance with normal business practice for agreements of this type.

Furthermore, in a view that under the Opt-In Scenario, the development and/or commercialisation of the Product will be jointly carried out by the Company and Juno, we consider such an indefinite term, subject to termination in accordance with its terms, is reasonable under the Opt-In Scenario.

Having considered the above reasons, we are of the opinion that the duration of the License and Collaboration Agreement, being longer than three years, is required and is in accordance with normal business practice for agreements of this type.

OPINION AND RECOMMENDATION

In summary, in reaching our opinion and recommendation, we have considered the above principal factors and reasons, in particular,

(i) the entering into of the License and Collaboration Agreement is in the ordinary and usual course of business of the Company given its principal business of developing, manufacturing and commercialising cell immunotherapy products and its business strategy to focus on potential opportunities in the cell therapy space that deems to possess high growth or breakthrough technology potential by leveraging onto its CAR-T research, development, manufacturing and commercialisation strengths;

(ii) as discussed in detail in the section headed "3. Reasons for entering into the License and Collaboration Agreement", in view of the long-term cooperative relationship between the Company and Juno and the successful precedent Carteyva®, and in particular that the Juno DLL3 construct is considered by the Company to be a suitable construct for which the Company believes it can leverage onto its know-how in Relma-cel development to further develop the Product, we concur with the view of the Board that the entering into of the License and Collaboration Agreement with Juno is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole;

(iii) the Opt-In Right, if exercised by Juno, will allow the possible co-development and co-commercialisation of the Product and related Juno Diagnostic Products by the Company and Juno in Greater China which is considered beneficial to the Company in terms of, strategic advantages and risk diversification. Furthermore, as discussed in the section headed "5. Evaluation of the terms of the License and Collaboration Agreement under the Opt-In Scenario" above, the Opt-In Payment payable by Juno, representing no less than 50% of the then accumulative total costs to be incurred for the R&D of the Product up to the end of the respective windows for exercising the Opt-In Right, is also considered reasonably justifying the 50/50 split of the profit and cost sharing (if any) by the Company and Juno, including development and commercialisation costs, following the exercise of the Opt-In Right;

(iv) as discussed in the section headed "6. Evaluation of the terms of the License and Collaboration Agreement under the No Opt-In Scenario" above, the Milestone Payment(s) and the royalty rates for the Royalty Payments of the License and Collaboration Agreement are within the respective ranges of those under the Comparable Agreements and the key terms of the License and Collaboration Agreement including the Licenses to Juno as a whole, are on normal commercial terms and fair and reasonable to the Company and the Shareholders as a whole; and

(v) having considered the reasons as discussed under section headed "7. License and Collaboration Agreement being for a term longer than three years" above, in particular, the contract term of the License and Collaboration Agreement being in line with those of the Comparable Agreements, we are of the opinion that the duration of the License and Collaboration Agreement, being longer than three years, is required and is in accordance with normal business practice for agreements of this type.

Having taken into account the principal factors and reasons set out in our letter, we are of the view that (i) the entering into of the License and Collaboration Agreement is in the ordinary and usual course of business of the Company; (ii) the terms of the License and Collaboration Agreement are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders as a whole are concerned; and (iii) the entering into of the License and Collaboration Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the License and Collaboration Agreement and the transactions contemplated thereunder.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Lyan Tam
Director

Ms. Lyan Tam is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Somerley Capital Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has over 19 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and Chief Executive

As of the Latest Practicable Date, the interests or short positions of the Directors or chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of SFO) or were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules were as follows:

Name of Director/chief executive	Capacity/nature of interest[(1)]	Number of Shares	Approximate percentage of shareholding[(2)]
Dr. Yiping James Li[(3)]	Beneficial interest	18,623,515	4.53%
	Interest in controlled corporation	7,448,992	1.81%
	Founder and trustee of discretionary trust	1,757,468	0.43%
Mr. Liu Cheng	Beneficial interest	7,137,082	1.74%

Notes:

(1) All interests stated are long position.

(2) The calculation is based on the total number of 411,034,490 Shares in issue as of the Latest Practicable Date.

(3) Dr. Yiping James Li ("**Dr. Li**") held (i) 5,742,532 Shares through his direct interests in JDI Capital Management Limited, (ii) 1,706,460 Shares through his indirect interests in Park Place Capital Management & Consulting Limited and (iii) 1,757,468 Shares held by The Yiping James Li 2020 Grantor Retained Annuity Trust for Dr. Li, with annuity payments to Dr. Li and with remainder interests, if any, to his family members, with Dr. Li as founder and trustee. Park Place Capital Management & Consulting Limited is wholly-owned by JDI Capital Management Limited which in turn is wholly-owned by Dr. Li.

An aggregate total of 3,090,956 Restricted Share Units granted to Dr. Li, consisting of 2,586,670 Restricted Share Units granted on June 30, 2020 and 504,286 Restricted Share Units granted on September 30, 2021, was vested on April 1, 2022. As of the Latest Practicable Date, Dr. Li is interested in a total of 7,053,489 underlying Shares in the Company, which comprises 3,035,740 Restricted Share Units granted to him pursuant to the Restricted Share Unit Scheme and 4,017,749 share options granted to him pursuant to the post-IPO share incentivization scheme adopted by the Company on October 14, 2020.

Accordingly, Dr. Li is interested in an aggregate of 27,829,975 Shares.

Save as disclosed above, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV to the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO), or were required, pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

(b) Interests of Substantial Shareholders

As of the Latest Practicable Date, so far as was known to the Directors, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Capacity/nature of interest[(1)]	Number of Shares	Approximate percentage of shareholding[(2)]
Juno [(3)]	Beneficial interest	70,231,140	17.09%
Celgene [(3)]	Interest in controlled corporation	70,231,140	17.09%
BMS[(3)]	Interest in controlled corporation	70,231,140	17.09%
Ms. Li Dan[(4)]	Interest of spouse	27,829,975	6.77%

Notes:

(1) All interests stated are long position.

(2) The calculation is based on the total number of 411,034,490 Shares in issue as of the Latest Practicable Date.

(3) As of the Latest Practicable Date, Juno directly held 70,231,140 Shares. Pursuant to the license agreement entered into between the Company and Juno dated April 11, 2019 ("**BCMA License Agreement**"), the 4,665,530 Juno Settlement Shares may be issued to Juno upon exercise of the second warrant as part of the second upfront payment in relation to Juno's orvacabtagene autoleucel ("**orva-cel**"). In February 2021, BMS announced that it would discontinue clinical development of orva-cel and therefore, the 4,665,530 Juno Settlement Shares shall no longer be issued to Juno. Juno is wholly-owned by Celgene which is in turn wholly-owned by BMS. As such, under the SFO, BMS (through its interest in a controlled corporation) is deemed to be interested in 70,231,140 Shares held by Juno. For the purpose of this note, "**Juno Settlement Shares**" means the 4,665,530 Shares to be issued to Juno at nil consideration upon exercise of warrant by Juno pursuant to the BCMA License Agreement as part of the upfront payment.

(4) Ms. Li Dan's spouse, Dr. Li, was interested in 27,829,975 Shares and therefore Ms. Li Dan is deemed to be interested in the same number of Shares

Save as disclosed above, as of the Latest Practicable Date, the Directors were not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As of the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

As of the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which have been, since December 31, 2021 (the date to which the latest published audited consolidated financial statements of the Company were made up), (i) acquired or disposed of by; (ii) leased to; or (iii) are proposed to be acquired or disposed of by; or (iv) are proposed to be leased to any member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As of the Latest Practicable Date, none of the Directors of the Company has any existing or proposed service contract with any member company of the Group which is not expiring or terminable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As of the Latest Practicable Date, none of the Directors or their respective close associates were interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group, as required to be disclosed pursuant to the Listing Rules.

6. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2021 (being the date to which the published audited consolidated financial statements of the Group were made up) and up to and including the Latest Practicable Date.

7. MATERIAL CONTRACTS

There were no contracts (not being contracts entered into in the ordinary course of business) that had been entered into by the members of the Group within two years immediately preceding the issue of this circular and are material.

8. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualifications
Somerley	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As of the Latest Practicable Date, Somerley does not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not), to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As of the Latest Practicable Date, Somerley does not have any interest, direct or indirect, in any assets which have been since December 31, 2021, the date up to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Somerley has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice and/or references to its names in the form and context in which they appear.

9. DOCUMENTS ON DISPLAY

The following document will be available on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.jwtherapeutics.com**) during the period of 14 days from the date of this circular:

(a) the redacted License and Collaboration Agreement;

(b) the letter from the Independent Board Committee as set out in this circular;

(c) the letter from the Independent Financial Adviser as set out in this circular;

(d) the written consent of the expert as referred to in the section headed "Qualification and Consent of Expert" of this appendix; and

(e) this circular.

JW (Cayman) Therapeutics Co. Ltd
藥明巨諾（開曼）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2126)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting of **JW (Cayman) Therapeutics Co. Ltd** (the "**Company**") will be held by way of electronic means on January 17, 2023 at 9:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following as ordinary resolutions of the Company. Unless otherwise defined, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated December 30, 2022.

ORDINARY RESOLUTIONS

"**That**:

(i) the License and Collaboration Agreement and its execution thereof and implementation of the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and

(ii) any Director or any other person authorised by the Directors be and is hereby authorised to sign, execute, perfect and deliver all such documents, instruments and agreements and do all such deeds, acts, matters and things as they consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the License and Collaboration Agreement and the transactions contemplated thereunder."

By order of the Board
JW (Cayman) Therapeutics Co. Ltd
藥明巨諾(開曼)有限公司 *
Yiping James Li
Chairman

Hong Kong, December 30, 2022

Notes:

(i) In light of the recent COVID-19 outbreak in Mainland China, including Shanghai, the PRC, the Shareholders and/or their proxies will not be able to attend the meeting in person.

(ii) The meeting will be held by way of electronic means. The Directors will participate by way of electronic means.

Registered Shareholders who wish to join the live online webcast of the meeting may refer to the Company's letter to registered Shareholders sent on December 30, 2022 for details regarding the arrangements of the meeting, including login details to access the live online webcast. Non-registered Shareholders who wish to join the live online webcast of the meeting should liaise with their bank(s), broker(s), custodian(s), nominee(s) or HKSCC Nominees Limited through which their Shares are held (collectively, the "**Intermediaries**") and provide their email address to their Intermediaries at least five business days before the date of meeting (i.e. by January 10, 2023). Details regarding the arrangements of the meeting, including login details to access the live online webcast, will be sent at least two business days before the date of meeting (i.e. by January 13, 2023) by Computershare Hong Kong Investor Services Limited, the Company's Hong Kong share registrar, to the email address of the non-registered Shareholders provided by the Intermediaries.

(iii) All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

(iv) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint the chairman of the meeting as his/her/its proxy or if he/she/it is the holder of two or more shares, more than one proxy to attend and on a poll, vote instead of him/her/it. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present virtually or by proxy shall be entitled to one vote for each share held by him/her/it.

(v) Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment of it) by proxy, in respect of such shares as if he/she/it were solely entitled thereto but the vote of the senior holder who tenders a vote, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

(vi) In order to be valid, the completed form of proxy, must be deposited at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), at least 48 hours before the time appointed for holding the above meeting or any adjournment thereof (as the case may be). The completion and return of the form of proxy shall not preclude shareholders of the Company from attending virtually and voting by proxy at the above meeting (or any adjourned meeting thereof) if they so wish.

(vii) The register of members of the Company will be closed from January 12, 2023 to January 17, 2023 , both days inclusive, in order to determine the eligibility of shareholders to attend the above meeting, during which period no share transfers will be registered. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on January 11, 2023.

(viii) References to time and dates in this notice are to Hong Kong time and dates.

As of the date of this notice, the Board of Directors of the Company comprises Dr. Yiping James Li as Chairman and executive Director, Dr. Krishnan Viswanadhan, Ms. Xing Gao, Dr. Ann Li Lee, Mr. Jinyin Wang, Dr. Cheng Liu as non-executive Directors, and Mr. Chi Shing Li, Mr. Yiu Leung Andy Cheung, Mr. Kin Cheong Kelvin Ho as independent non-executive Directors.

* *For identification purpose only*