

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

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Law on September 6, 2017. Our registered office address is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. As our Company is incorporated in the Cayman Islands, our operation is subject to the relevant law and regulations of the Cayman Islands, the Articles and the Memorandum. For a summary of the relevant laws and regulations of the Cayman Islands and of our constitution, please see the section headed “Appendix IV — Summary of the Constitution of the Company and Cayman Companies Law” to this prospectus.

Our Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on August 20, 2020. Our corporate headquarters and principal place of business in Hong Kong is at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and was registered as under the same address. Ms. Suet Wing Leung has been appointed as our authorized representative for the acceptance of service of process and notices in Hong Kong. The address of service of process is at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

As at the date of this prospectus, our Company’s head office was located at 4F, No. 225 Meisheng Road, Pilot Free Trade Zone, Shanghai, China.

2. Changes in Our Share Capital of Our Company

As at September 6, 2017, being the date of incorporation of the Company, our authorized share capital was US\$50,000, divided into 50,000 shares of the Company of an initial par value of US\$1.00 each.

On September 6, 2017, the Company allotted and issued one Share to the initial subscriber, Mapcal Limited, which in turn on the same day transferred the one Share to WXAT HK.

On November 14, 2017, the Company underwent a subdivision of shares whereby each issued and unissued share of a par value of US\$1.00 in the authorized share capital of the Company was subdivided into 10,000 shares of a par value of US\$0.0001 each, such that following such subdivision, the authorized share capital of the Company was US\$50,000 divided into 500,000,000 shares of US\$0.0001 par value each. For further details, please see the sections headed “History, Development and Corporate Structure” and “Share Capital” in this prospectus.

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

- (a) on April 24, 2019, Danqing Investment Limited transferred 160,494 Series A1 Preferred Shares to Danqing-JW Investment Limited;
- (b) on May 9, 2019, our Company allotted and issued an aggregate of 6,427,170 Series A2 Preferred Shares to the Series A2 Investors pursuant to the Series A Preferred Share Purchase Agreement;
- (c) on November 20, 2019, our Company allotted and issued 466,553 Series X Preferred Shares to Juno pursuant to the Series X Preferred Share Purchase Agreement;
- (d) on May 22, 2020, our Company allotted and issued an aggregate of 4,888,062 Series B Preferred Shares to the Series B Investors pursuant to the Series B Preferred Share Purchase Agreement;
- (e) on June 30, 2020, our Company allotted and issued an aggregate of 4,631,374 Shares to Syracuse Cayman pursuant to the Asset Purchase Agreement;
- (f) on July 1, 2020, Syracuse Cayman transferred 293,283 Shares to Be Angels LLC for the settlement of a convertible promissory note;
- (g) on August 21, 2020, our Company underwent the Share Subdivision whereby each issued and unissued share of par value US\$0.0001 each in our Company's authorized share capital was subdivided into 10 shares of US\$0.00001 par value each, such that immediately following such Share Subdivision, our Company's authorized share capital was US\$50,000 divided into (a) 4,838,998,090 Shares of par value US\$0.00001 each; (b) 38,518,530 Series A1 Preferred Shares of par value US\$0.00001 each; (c) 64,271,700 Series A2 Preferred Shares of par value US\$0.00001 each; (iv) 9,331,060 Series X Preferred Shares of par value US\$0.00001 each and (v) 48,880,620 Series B Preferred Shares of par value US\$0.00001 each; and
- (h) on October 13, 2020, JDI Capital Management Limited transferred 6,000,000 Shares to Dr. Li 2020 GRAT;
- (i) on October 16, 2020, the Company allotted and issued 10,834,109 Shares to Computershare Hong Kong Trustees Limited.

For further details on our Company's authorized and issued share capital and consideration relating to the allotment of the Preferred Shares above, please see the sections headed "Share Capital — Authorized and Issued Share Capital" and "History, Development and Corporate Structure — Major Corporate Development and Shareholding Changes of Our Group" in this prospectus.

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

3. Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I to this prospectus.

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

On November 9, 2018, the registered capital of JW Shanghai increased from US\$36.5 million to US\$40.5 million.

On December 5, 2018, JW R&D Shanghai was established under the laws of the PRC and with a registered capital of US\$2 million. On May 29, 2019, the registered capital of JW R&D Shanghai increased from US\$2 million to US\$15 million.

On September 12, 2018, JW Suzhou was established under the laws of the PRC and with a registered capital of US\$1.6 million. On May 22, 2019, the registered capital of JW Suzhou increased from US\$1.6 million to US\$15 million.

On August 30, 2018, Suzhou Ming Ju was established under the laws of the PRC and with a registered capital of RMB500,000.

On June 30, 2020, Syracuse Hong Kong, Syracuse Jiangsu, Eureka Beijing, Aeon Beijing and Aeon Wuhan became our indirectly wholly-owned subsidiary upon completion of the Asset Purchase Agreement.

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

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

4. Resolutions of the Shareholders of Our Company dated October 14, 2020

Written resolutions of our Shareholders were passed on October 14, 2020, pursuant to which, among others:

- (a) Conditional upon (i) the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued as to be stated in this prospectus and such listing and permission not subsequently having been revoked prior to the commencement of dealing in the Shares on the Stock Exchange; (ii) the Offer Price having been determined; (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements; and (iv) the Underwriting Agreements having been duly executed by the Underwriters and our Company:
 - (1) the Global Offering (including the Over-allotment Option) was approved, and the proposed allotment and issue of the Offer Shares under the Global Offering were approved, and the Directors were authorized to determine the Offer Price for, and to allot and issue the Offer Shares;
 - (2) a general unconditional mandate was given to the Directors to exercise all powers of our Company to allot, issue and deal with Shares or securities convertible into Shares, and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which might require such Shares to be allotted and issued or dealt with subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, otherwise than by way of the Global Offering, rights issue or pursuant to the exercise of any subscription rights attaching to any warrants which may be allotted and issued by the Company from time to time or, pursuant to the exercise of any options which have been granted or may be granted or settlement of restricted share units under the Share Incentivization Schemes or allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association on a specific authority granted by our Shareholders in general meeting, shall not exceed 20% of the aggregate nominal value of the Shares in issue immediately following the completion of the Global Offering, excluding (a) any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option; (b) any additional Shares which may be issued under the Share Incentivization Schemes; and (c) Syracuse Holdback Shares and/or Juno Settlement Shares;

- (3) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Global Offering, excluding (a) any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option; (b) any additional Shares which may be issued under the Share Incentivization Schemes; and (c) Syracuse Holdback Shares and/or Juno Settlement Shares;
 - (4) the general unconditional mandate as mentioned in paragraph (2) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (3) above up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Global Offering, excluding (a) any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option; (b) any additional Shares which may be issued under the Share Incentivization Schemes; and (c) Syracuse Holdback Shares and/or Juno Settlement Shares;
 - (5) the grant of the over-allotment Option by our Company to the International Underwriters to allot and issue up to 15% of the Offer Shares initially available under the Global Offering to cover the over-allocations in the International Offering was approved;
 - (6) the proposed Listing was approved and our Directors were authorized to implement such Listing; and
 - (7) the rules of the Post-IPO Incentivization Scheme were approved and adopted with effect from the Global Offering and our Directors were authorized to grant options to subscribe for Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of the options which may be granted under the Post-IPO Incentivization Scheme and to take all such actions as may be necessary and/or desirable to implement and give effect to the Post-IPO Incentivization Scheme; and
- (b) the adoption of the Pre-IPO Incentivization Scheme and the Restricted Share Unit Scheme was approved;

- (c) the acknowledgement by all the Preferred Shareholders of the agreed conversion number as applicable and the resolution not to exercise the right to further adjustment of conversion ratio; and
- (d) our Company conditionally approved and adopted the Memorandum and Articles of Association with effect from the Listing.

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

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

5. Repurchases of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this prospectus concerning the repurchase of our own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' Approval

All proposed repurchases of Shares (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our then Shareholders on October 14, 2020, the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized

by the SFC and the Stock Exchange for this purpose, with a total nominal value up to 10% of the aggregate nominal value of our Shares in issue immediately following the completion of the Global Offering (excluding (a) any Shares which may be issued under the Over-allotment Option; (b) any additional Shares which may be issued under the Share Incentivization Schemes; and (c) Syracuse Holdback Shares and/or Juno Settlement Shares), with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within our Company's next annual general meeting is required by our Articles of Association or any other applicable laws to be held, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

(ii) Source of Funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands law, any purchases by the Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Law. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Law.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five

preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

The listing of all purchased securities (whether on the Stock Exchange or, otherwise) is automatically cancelled and the relative certificates must be cancelled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the Directors resolve to hold the shares purchased by our Company as treasury shares, shares purchased by our Company shall be treated as cancelled and the amount of our Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under Cayman Islands law.

(v) Suspension of repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session

on the following Business Day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. Our Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, our Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Articles of Association and subject to Cayman Companies Law, out of capital.

However, our Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for our Company.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of 376,176,229 Shares in issue immediately following the completion of the Global Offering (without taking into account the Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or, the Shares that may be allotted and issued under the Share Incentivization Schemes, Syracuse Holdback Shares and Juno Settlement Shares), could accordingly result in up to approximately 37,617,622 Shares being repurchased by our Company during the period prior to the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or
- the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of our Group within the two years preceding the date of this prospectus which are or may be material:

- (a) the Series X Preferred Share Purchase Agreement dated November 20, 2019 entered into between the Company, JW Hong Kong, JW Shanghai, Shanghai Ju Ming, Shanghai Ming Ju and Juno, pursuant to which, among other things, Juno subscribed for, and the Company issued 466,553 Series X Preferred Shares for a consideration of US\$10,000,000;
- (b) the Series B Preferred Share Purchase Agreement dated May 13, 2020 entered into between the Company, JW Hong Kong, JW Shanghai, JW R&D Shanghai, JW Suzhou, Shanghai Ju Ming, Shanghai Ming Ju, Suzhou Ming Ju, Juno, WXAT HK, JDI Capital Management Limited, and Series B Investors, pursuant to which the Series B Investors subscribed for, and the Company issued, an aggregate of 4,888,062 Series B Preferred Shares for a total consideration of US\$100,000,000;
- (c) the asset purchase agreement dated June 30, 2020 entered into between the Company, JWS Therapeutics and Syracuse Cayman, pursuant to which Syracuse Cayman agreed to transfer and assign to JWS Therapeutics, and JWS Therapeutics agreed to purchase and assume from Syracuse Cayman a majority of Syracuse Cayman's assets and liabilities and Syracuse Cayman subscribed for, and the Company issued 4,631,374 Shares;
- (d) the fourth amended and restated shareholders' agreement dated June 30, 2020 entered into among the Company, JW Hong Kong, JW Shanghai, JW R&D Shanghai, JW Suzhou, Shanghai Ju Ming, Shanghai Ming Ju, Suzhou Ming Ju, Juno, WXAT HK, JDI Capital Management Limited, Series A Investors, Series B Investors, Series X Investor and Syracuse Cayman, pursuant to which shareholder rights were agreed among the parties;

- (e) the termination agreement for contractual arrangements dated July 28, 2020 entered into among JW Shanghai, Shanghai Ju Ming and Ms. Wei Zhao, pursuant to which the series of contractual arrangements entered into among the parties dated November 2, 2017 was terminated;
- (f) the supplemental agreement to exclusive business cooperation agreement dated July 29, 2020 entered into between JW Shanghai and Shanghai Ju Ming, pursuant to which the parties agreed to incorporate certain provisions to the exclusive business cooperation agreement entered into between the parties dated November 2, 2017;
- (g) the supplemental agreement (II) to exclusive business cooperation agreement dated September 15, 2020 entered into between JW Shanghai and Shanghai Ju Ming, pursuant to which the parties agreed to incorporate certain provisions to the exclusive business cooperation agreement entered into between the parties dated November 2, 2017 and the supplemental exclusive business cooperation agreement entered into between the parties dated July 29, 2020;
- (h) the power of attorney dated July 29, 2020 entered into among JW Shanghai, Shanghai Ju Ming and Ms. Xing Gao, as further described in the section headed “Contractual Arrangements” in this prospectus;
- (i) the exclusive option agreement dated July 29, 2020 entered into among JW Shanghai, Shanghai Ju Ming and Ms. Xing Gao, as further described in the section headed “Contractual Arrangements” in this prospectus;
- (j) the loan agreement dated July 29, 2020 entered into among JW Shanghai and Ms. Xing Gao, as further described in the section headed “Contractual Arrangements” in this prospectus;
- (k) the equity interest pledge agreement dated July 29, 2020 entered into among JW Shanghai, Shanghai Ju Ming and Ms. Xing Gao, as further described in the section headed “Contractual Arrangements” in this prospectus;
- (l) the supplemental and amendment to power of attorney dated July 29, 2020 entered into among JW Shanghai, Shanghai Ju Ming and Ms. Gao Xing, pursuant to which the parties agreed to incorporate certain provisions to the power of attorney entered into among the parties dated July 29, 2020;
- (m) the supplemental agreement to exclusive option agreement dated July 29, 2020 entered into among JW Shanghai, Shanghai Ju Ming and Ms. Gao Xing, pursuant to which the parties agreed to incorporate certain provisions to the exclusive option agreement entered into among the parties dated July 29, 2020;
- (n) the supplemental agreement to loan agreement dated July 29, 2020 entered into among JW Shanghai and Ms. Gao Xing, pursuant to which the parties agreed to incorporate certain provisions to the loan agreement entered into among the parties dated July 29, 2020;

- (o) the supplemental agreement to equity interest pledge agreement dated July 29, 2020 entered into among JW Shanghai, Shanghai Ju Ming and Ms. Gao Xing, pursuant to which the parties agreed to incorporate certain provisions to the equity interest pledge agreement entered into among the parties dated July 29, 2020;
- (p) the supplemental and amendment to power of attorney dated July 29, 2020 entered into among JW Shanghai, Shanghai Ju Ming and Ms. Jing Lv, pursuant to which the parties agreed to incorporate certain provisions to the power of attorney entered into among the parties dated November 2, 2017;
- (q) the supplemental agreement to exclusive option agreement dated July 29, 2020 entered into among JW Shanghai, Shanghai Ju Ming and Ms. Jing Lv, pursuant to which the parties agreed to incorporate certain provisions to the exclusive option agreement entered into among the parties dated November 2, 2017;
- (r) the supplemental agreement to loan agreement dated July 29, 2020 entered into among JW Shanghai and Ms. Jing Lv, pursuant to which the parties agreed to incorporate certain provisions to the loan agreement entered into among the parties dated November 2, 2017;
- (s) the supplemental agreement to equity interest pledge agreement dated July 29, 2020 entered into among JW Shanghai, Shanghai Ju Ming and Ms. Jing Lv, pursuant to which the parties agreed to incorporate certain provisions to the equity interest pledge agreement entered into among the parties dated November 2, 2017;
- (t) the indemnification agreement dated August 31, 2020 entered into between the Company and Dr. Li, whereby the Company agrees to hold harmless and indemnify Dr. Li, in his corporate status as a Director;
- (u) the indemnification agreement dated August 20, 2020 entered into between the Company, Krishnan Viswanadhan and Juno, whereby the Company agrees to hold harmless and indemnify Krishnan Viswanadhan, in his corporate status as a Director;
- (v) the indemnification agreement dated September 1, 2020 entered into between the Company, Xing Gao and CJW Therapeutics Investment Limited, whereby the Company agrees to hold harmless and indemnify Xing Gao, in her corporate status as a Director;
- (w) the indemnification agreement dated August 20, 2020 entered into between the Company, Ann Li Lee and Juno, whereby the Company agrees to hold harmless and indemnify Ann Li Lee, in her corporate status as a Director;
- (x) the indemnification agreement dated September 1, 2020 entered into between the Company, Jinyin Wang and Mirae Asset Growth JW Investment Company Limited, whereby the Company agrees to hold harmless and indemnify Jinyin Wang, in his corporate status as a Director;

- (y) the indemnification agreement dated August 29, 2020 entered into between the Company, Cheng Liu and Syracuse Cayman, whereby the Company agrees to hold harmless and indemnify Cheng Liu, in his corporate status as a Director;
- (z) the indemnification agreement dated August 29, 2020 entered into between the Company and Hans Edgar Bishop, whereby the Company agrees to hold harmless and indemnify Hans Edgar Bishop, in his corporate status as a Director;
- (aa) the Hong Kong Underwriting Agreement;
- (bb) the cornerstone investment agreement dated October 18, 2020 entered into between the Company, Rock Springs Capital Master Fund LP, Four Pines Master Fund LP, Goldman Sachs (Asia) L.L.C. (高盛(亞洲)有限責任公司), UBS Securities Hong Kong Limited and UBS AG Hong Kong Branch, details of which are included in the section headed “Cornerstone Investors” in this prospectus;
- (cc) the cornerstone investment agreement dated October 18, 2020 entered into between the Company, Oaktree Capital Management, L.P., Goldman Sachs (Asia) L.L.C. (高盛(亞洲)有限責任公司), UBS Securities Hong Kong Limited and UBS AG Hong Kong Branch, details of which are included in the section headed “Cornerstone Investors” in this prospectus;
- (dd) the cornerstone investment agreement dated October 18, 2020 entered into between the Company, Platinum Investment Management Limited, Goldman Sachs (Asia) L.L.C. (高盛(亞洲)有限責任公司), UBS Securities Hong Kong Limited and UBS AG Hong Kong Branch, details of which are included in the section headed “Cornerstone Investors” in this prospectus;
- (ee) the cornerstone investment agreement dated October 18, 2020 entered into between the Company, Veritas Asset Management LLP, Goldman Sachs (Asia) L.L.C. (高盛(亞洲)有限責任公司), UBS Securities Hong Kong Limited, UBS AG Hong Kong Branch and China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), details of which are included in the section headed “Cornerstone Investors” in this prospectus;
- (ff) the cornerstone investment agreement dated October 18, 2020 entered into between the Company, RWC Asset Advisors (US) LLC, Goldman Sachs (Asia) L.L.C. (高盛(亞洲)有限責任公司), UBS Securities Hong Kong Limited and UBS AG Hong Kong Branch, details of which are included in the section headed “Cornerstone Investors” in this prospectus;
- (gg) the cornerstone investment agreement dated October 18, 2020 entered into between the Company, Gaoling Fund, L.P., YHG Investment, L.P., Goldman Sachs (Asia) L.L.C. (高盛(亞洲)有限責任公司), UBS Securities Hong Kong Limited and UBS AG Hong Kong Branch, details of which are included in the section headed “Cornerstone Investors” in this prospectus;

- (hh) the cornerstone investment agreement dated October 18, 2020 entered into between the Company, Taiping Assets Management (HK) Company Limited (太平資產管理(香港)有限公司), Goldman Sachs (Asia) L.L.C. (高盛(亞洲)有限責任公司), UBS Securities Hong Kong Limited, UBS AG Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司) and ICBC International Capital Limited (工銀國際融資有限公司), details of which are included in the section headed “Cornerstone Investors” in this prospectus;

- (ii) the cornerstone investment agreement dated October 18, 2020 entered into between the Company, AVICT Global Holdings Limited, Goldman Sachs (Asia) L.L.C. (高盛(亞洲)有限責任公司), UBS Securities Hong Kong Limited, UBS AG Hong Kong Branch and China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), details of which are included in the section headed “Cornerstone Investors” in this prospectus;
- (jj) the cornerstone investment agreement dated October 18, 2020 entered into between the Company, LVC Mi Holding Limited, Goldman Sachs (Asia) L.L.C. (高盛(亞洲)有限責任公司), UBS Securities Hong Kong Limited and UBS AG Hong Kong Branch, details of which are included in the section headed “Cornerstone Investors” in this prospectus; and
- (kk) the cornerstone investment agreement dated October 18, 2020 entered into between the Company, Aranda Investments Pte. Ltd., Goldman Sachs (Asia) L.L.C. (高盛(亞洲)有限責任公司), UBS Securities Hong Kong Limited and UBS AG Hong Kong Branch, details of which are included in the section headed “Cornerstone Investors” in this prospectus.

2. Intellectual Property Rights





(a) Trademarks

As at the Latest Practicable Date, we were the owner of the following key registered trademarks, which are material to the business of our Group:

No.	Trademark
1.	 The logo for JW Therapeutics, featuring a stylized circular emblem on the left and the Chinese characters "药明巨诺" and the English text "JW Therapeutics" on the right.
2.	药明巨诺

No.	Trademark
3.	
4.	明聚生物
5.	炬明医疗
6.	倍诺安
7.	倍赛康
8.	倍克达
9.	倍善安
10.	倍诺达
11.	CARTEYVA
12.	TCARTEC

As at the Latest Practicable Date, our Group had 59 trademark registrations in the PRC, where our operations are primarily based, and has applied for the registration of the following trademarks in Hong Kong, which are material to our business:

No.	Trademark	Class	Name of Applicant	Place of Application	Application Number	Application Date
1.	 JW (Cayman) Therapeutics Co. Ltd	5, 10, 35, 42, 44	JW (Cayman) Therapeutics Co. Ltd	Hong Kong	305337117	July 20, 2020
2.	 药明巨诺 JW Therapeutics	5, 10, 35, 42, 44	JW (Cayman) Therapeutics Co. Ltd	Hong Kong	305337126	July 20, 2020
3.	 JW (Cayman) Therapeutics Co. Ltd	5, 10, 35, 42, 44	JW (Cayman) Therapeutics Co. Ltd	Hong Kong	305337135	July 20, 2020
4.	 药明巨诺 JW Therapeutics	5, 10, 35, 42, 44	JW (Cayman) Therapeutics Co. Ltd	Hong Kong	305337144	July 20, 2020

(b) Domain Name

As at the Latest Practicable Date, the following was the key domain name registration of our Group, which was in the process of being transferred from an agent to our Group:

www.jwtherapeutics.com

Save as aforesaid or as discussed in the section headed “Business — Intellectual Property” in this prospectus, as at the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our Group’s business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors’ Service Contracts and Appointment Letters

(a) Executive Directors and Non-executive Directors

The Company does not have service contracts with any of its Directors and during the Track Record Period, no remunerations have been paid to Directors in the capacity of them as Directors in the Company.

(b) Independent Non-executive Director

Each of our independent non-executive Directors has entered into an appointment letter with our Company effective upon the date of this prospectus. The initial term of their appointment letters shall commence from the date of their appointment for a period of three years or until the third annual general meeting of the Company after the Listing Date, whichever is earlier (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing. Under these appointment letters, each of our independent non-executive Directors will receive an annual director's fee of HK\$300,000.

For further details of the Company's remuneration policy, please see the section headed "Directors and Senior Management — Remuneration of Directors and Senior Management" in this prospectus.

2. Remuneration of Directors

- (i) For the two years ended December 31, 2018 and 2019 and the six months ended June 30, 2020:
 - (a) the total amount of salaries, bonuses, allowances, benefits in kind and pension scheme contributions, paid or payable by us to our executive Director, chairman of the Board and CEO, Dr. Li were approximately RMB3.73 million, RMB3.67 million and RMB1.40 million, respectively; and
 - (b) the total amount of share-based payment expenses paid or payable by us to our executive Director, chairman of the Board and CEO, Dr. Li were approximately nil, nil and RMB45.12 million, respectively.
- (ii) During the Track Record Period, the aggregate amount of emoluments which were paid by the Company to the five highest paid individuals of the Group for the two years ended December 31, 2018 and 2019 and the six months ended June 30, 2020 were approximately RMB8.24 million, RMB20.62 million and RMB59.12 million, respectively.
- (iii) It is estimated that emoluments of approximately RMB3.84 million in aggregate will be paid to our Directors and proposed Directors in respect of the financial year ending December 31, 2020 under arrangements in force at the date of this prospectus.

- (iv) Under the arrangements currently in force, as at the Latest Practicable Date, none of our Directors had a service contract with the Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

3. Disclosure of Interests

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

Immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised, no additional Shares are issued under the Share Incentivization Schemes and Syracuse Holdback Shares and Juno Settlement Shares are not issued), the interests and/or short positions (as applicable) of our Directors and chief executives in the shares, underlying shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he/she is taken or deemed to have taken under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Name of Director or CEO	Nature of interest	Number of underlying Shares	Approximate percentage of interest in our Company immediately after Completion of the Global Offering ⁽¹⁾
Dr. Li ⁽²⁾	Founder and trustee of discretionary trust	6,000,000 Shares ⁽²⁾	1.59%
	Interest in controlled corporation	3,206,460 Shares ⁽²⁾	0.85%
	Beneficial interest	12,588,620 Shares ⁽²⁾	3.35%
Mr. Hans Edgar Bishop	Beneficial interest	757,650 Shares ⁽³⁾	0.20%

Notes:

- (1) The calculation is based on the total number of 376,176,229 Shares in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised, no further Shares are issued pursuant to the Share Incentivization Schemes and Syracuse Holdback Shares and Juno Settlement Shares are not issued).
- (2) As at the Latest Practicable Date, Dr. Li held (i) 1,500,000 Shares through his direct interest in JDI Capital Management Limited, (ii) 1,706,460 Shares consisting of 866,670 Series A1 Preferred Shares and 839,790 Series A2 Preferred Shares through his indirect interests in Park Place Capital Management & Consulting Limited and (iii) 6,000,000 Shares held by Dr. Li 2020 GRAT on 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. Dr. Li is also interested in 12,588,620 underlying Shares relating to the Restricted Share Units granted to him pursuant to the Restricted Share Unit Scheme. Accordingly, Dr. Li will be interested in aggregate 21,795,080 Shares.

- (3) Mr. Bishop is interested in 757,650 underlying Shares relating to the Restricted Share Units granted to him pursuant to the Restricted Share Unit Scheme.

(b) Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO

For information on the persons who will, immediately following the completion of the Global Offering and taking no account of any additional Shares which may be issued pursuant to the Share Incentivization Schemes, having or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, please see the section headed “Substantial Shareholders” in this prospectus.

Save as set out above, as at the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the Global Offering and taking no account of any additional Shares which may be issued pursuant to the Share Incentivization Schemes, be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such Capital.

4. Disclaimers

Save as disclosed in the sections headed “Directors and Senior Management”, “Financial Information”, “Underwriting”, “Substantial Shareholders” and “Statutory and General Information — Further Information about Our Directors” in this prospectus:

- (i) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;
- (ii) none of the Directors or the experts named in “— Other Information — Consents of Experts” in this section has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of the Company within the two years ended on the date of this prospectus;

- (iv) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group taken as a whole;
- (v) taking no account of any Shares which may be taken up under the Global Offering and allotted and issued pursuant to the Share Incentivization Schemes, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) will, immediately following completion of the Global Offering, have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group; and
- (vi) save as disclosed in the section headed “Directors and Senior Management” in this prospectus, none of the Directors or chief executive of the Company has any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

D. SHARE INCENTIVIZATION SCHEMES

1. Pre-IPO Incentivization Scheme

In order to attract, retain and motivate employees, Directors and such other eligible persons and to provide a means of compensating them through the grant of options for their contribution to the growth and profits of the Group, and to allow such employees, directors and other persons to participate in the growth and profitability of the Group, our Company adopted the Pre-IPO Incentivization Scheme on September 4, 2019. The terms of the Pre-IPO Incentivization Scheme are not subject to the provisions of Chapter 17 of the Listing Rules.

The following is a summary of the principal terms of the Pre-IPO Incentivization Scheme.

(a) *Summary of terms*

Duration. Subject to the termination provisions under the Pre-IPO Incentivization Scheme, the Pre-IPO Incentivization Scheme shall be valid and effective for a period of ten years commencing on the adoption date, after which period no further awards will be granted, but the provisions thereof shall in all other respects remain in full force and effect and any eligible employees, directors and service providers of our Group (the “**Participant**”) who accepted an offer in accordance with the terms (each a “**Grantee**”) may exercise the options in accordance with the terms upon which the options are granted.

Administration. The Pre-IPO Incentivization Scheme shall be subject to the administration of the Board or a duly authorized committee thereof (the “**Administrator**”) and the decision of the Administrator shall be final and binding on all parties thereto. The Administrator shall have the right (i) to interpret and construe the provisions of the Pre-IPO Incentivization Scheme, (ii) to determine the persons who will be granted awards of options under the scheme, the number and subscription price of awards granted thereto, (iii) to make such appropriate and equitable adjustments to the terms of awards granted under the scheme as it deems necessary, and (iv) to make such other decisions or determinations as it shall deem appropriate in the administration of the Pre-IPO Incentivization Scheme.

Offer Letter. Any offer letter regarding the offer of an award shall be made by the Company to a Participant in such form as the Administrator may from time to time determine requiring the Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the scheme.

Types of awards. The Pre-IPO Incentivization Scheme provides for awards of options. On and subject to the terms of the scheme, the Administrator shall be entitled to make an offer to any Participant as the Administrator may in its absolute discretion select and set out in the relevant offer letter for such employee to take up options in respect of such number of Shares as the Administrator may determine at the price per Share at which a Grantee may subscribe for the Shares on the exercise of an option. Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the Administrator may determine. An option may be exercised in whole or in part by the Grantee (or his or her personal representatives) in a prescribed manner and by giving notice in writing to the Company, stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

Subscription price and vesting schedule. The subscription price shall be approved by the Administrator and shall be set out in the relevant offer letter issued by the Company to a Participant. Any option shall become exercisable upon vesting pursuant to the applicable vesting schedule and vesting criteria as set out in the relevant offer letter issued by the Company to a Participant.

Rights are personal to the grantee. An option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any option, except otherwise permitted under the scheme.

Maximum number of Shares.

- (i) The maximum number of Shares in respect of which awards may be granted under the Pre-IPO Incentivization Scheme and the Restricted Share Unit Scheme shall not, in aggregate exceed 36,031,500 Shares which is a shared common pool.
- (ii) The maximum number of Shares referred to in paragraph (i) will be adjusted in the event of any alteration in the capital structure of the Company whether by way of capitalization of profits or reserves, rights issue or other similar offer of securities to holders of Shares, consolidation, sub-division or reduction or similar reorganization of the share capital of the Company.

Right of Forfeiture.

- (i) If a Grantee ceases to be a Participant for any reason, any unvested option shall be immediately forfeited by the Company and of no further exercisability.
- (ii) If a Grantee ceases to be a Participant for cause, any vested but unexercised option shall be forfeited by the Company and of no further exercisability immediately upon such cessation.
- (iii) If a Grantee ceases to be a Participant by reason other than for cause or of death, disability or incapacitation, the Grantee may exercise any option that are vested and exercisable within a period of 6 months from such date of cessation which shall be the last actual working day with the Group.

- (iv) If a Grantee ceases to be a Participant by reason of death, disability or incapacitation, the legal representative(s) of such Grantee may exercise any option that are vested and exercisable within a period of 6 months from the date of death, disability or incapacitation.

Dissolution or Liquidation. In the event of a proposed dissolution or liquidation of the Company, to the extent it has not been vested, an option granted will terminate immediately prior to the commencement of such proposed action.

Reorganization of Capital Structure. In the event of any alteration in the capital structure of the Company, whether by way of capitalization of profits or reserves, rights issue, or other similar offer of securities to holders of Shares, consolidation, sub-division or reduction or similar reorganization of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made by the Administrator at its sole discretion in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Share Incentivization Schemes to (i) the number of Shares available for issuance under the Share Incentivization Schemes; (ii) the number or nominal amount of Shares and class of shares subject to the option so far as unexercised; (iii) the subscription price; and/or (iv) the method of exercise of the option, provided that a Grantee shall be given the same proportion of the issued share capital of the Company as that to which such person was previously entitled and that the aggregate subscription price payable by a Grantee on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event, but so that no such adjustment be made to the extent that a share would be issued at less than its nominal value.

Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding award will be treated as the Administrator determines including, without limitation, that:

- (i) each award will be assumed or substituted by a substantially equivalent award of the acquiring or succeeding corporation;
- (ii) upon written notice to a Grantee, that such Grantee's awards will terminate upon or immediately prior to the consummation of such merger or Change in Control;
- (iii) outstanding award will vest and become exercisable, realizable, or payable, or restrictions applicable to an award will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control;

- (iv) (A) the termination of an award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such award or realization of the Grantee's rights as of the date of the occurrence of the transaction, or (B) the replacement of such award with other rights or property selected by the Administrator in its sole discretion; or
- (v) any combination of the foregoing.

Any award which is neither assumed nor substituted for by the successor corporation in connection with the Change in Control, all outstanding award shall be fully vested, including those would not otherwise be vested.

For the above purpose, a "Change in Control" means the occurrence of any of the following events: (i) any one person, or more than one person acting as a group, acquires ownership of the Shares of the Company that constitutes more than 50% of the total voting power of the Shares of the Company; or (ii) a majority of members of the Administrator is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Administrator prior to the date of the appointment or election; or (iii) any person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions.

(b) Outstanding options

As at the Latest Practicable Date, the aggregate number of underlying Shares pursuant to the outstanding options granted under the Pre-IPO Incentivization Scheme is 9,311,900 Shares, representing approximately 2.48% of the total issued Shares immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised, no additional Shares are issued pursuant to the Share Incentivization Schemes and Syracuse Holdback Shares and Juno Settlement Shares are not issued. As at the Latest Practicable Date, we have conditionally granted options to 126 Grantees under the Pre-IPO Incentivization Scheme. No option is granted to any of our Directors. As at the Latest Practicable Date, all the outstanding options under the Pre-IPO Incentivization Scheme were granted between September 4, 2019 and September 10, 2020 (both days inclusive) and the Company will not grant further options under the Pre-IPO Incentivization Scheme after the Global Offering. The exercise price of all the options granted under the Pre-IPO Incentivization Schemes is between US\$0.00001 and US\$0.655 per share. No awards in the form of options under the Pre-IPO Incentivization Scheme shall be granted after the Listing Date.

(c) General

Application has been made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued pursuant to the Pre-IPO Incentivization Scheme.

(d) Senior Management and other employees and consultants of our Group

Three members of the senior management, who is considered as connected person of our Group, and certain other employees and consultants are granted options under the Pre-IPO Incentivization Scheme to subscribe for an aggregation of 9,311,900 outstanding Shares, representing approximately 2.48% of the issued share capital of our Company upon completion of the Global Offering, and assuming the Over-allotment Option is not exercised and without taking into account any additional Shares to be issued pursuant to the Share Incentivization Schemes, Syracuse Holdback Shares and Juno Settlement Shares. No option is granted to any of our Directors. The proposal to grant the options under the Pre-IPO Incentivization Scheme to the grantees as set out below has been approved by the Board.

Below is a list of our (i) senior management and (ii) other employees and consultants (ranging from 200,000 outstanding Shares to 800,000 outstanding Shares) of our Company who is a Grantee of the options under the Pre-IPO Incentivization Scheme. No option under the Pre-IPO Incentivization Scheme has been granted to other connected persons of the Company.

Name of Grantee	Position	Address	Exercise Price (US\$/share)	Grant date	Vesting commencement date	Number of outstanding Shares under the options granted ⁽¹⁾	Approximate percentage of issued Shares immediately after completion of the Global Offering ⁽²⁾
Senior Management							
Mr. Xin Fu	Senior vice president and chief finance officer	No. 302, Unit 5, Building No. 10, Xinghua West Lane, Dongcheng District, Beijing, PRC	0.00001	September 10, 2020	July 1, 2020	1,833,020	0.49%
Dr. Su Yang	Executive director ⁽³⁾	Room 3102, No.5, Lane 1, Xu Jia Hui Road, Shanghai, PRC	0.1	September 4, 2019	Between April 1, 2017 and July 1, 2019 ⁽⁴⁾	370,760	0.10%
			0.0001	June 30, 2020	Between April 1, 2020 and July 1, 2020 ⁽⁴⁾	134,500	0.04%

Name of Grantee	Position	Address	Exercise Price (US\$/share)	Grant date	Vesting commencement date	Number of outstanding Shares under the options granted ⁽¹⁾	Approximate percentage of issued Shares immediately after completion of the Global Offering ⁽²⁾
Mr. Qiong Wu ⁽⁴⁾ (吳瓊)	Chief commercial officer	Room 202, No. 16, Lane 1599, Dingxiang Road, Pudong District, Shanghai, PRC	0.00001	September 10, 2020	July 1, 2020	1,515,300	0.40%
Consultant (ranging from 200,000 outstanding Shares to 800,000 outstanding Shares)							
Dr. Patrick Y. Yang ⁽⁵⁾	Consultant	1920 4th Avenue, Unit 1108, Seattle, WA 98101, USA	0.655	September 4, 2019	April 1, 2019	230,260	0.06%
Other employees (ranging from 200,000 outstanding Shares to 800,000 outstanding Shares)⁽⁶⁾							
			0.00001-0.1	September 4, 2019, June 30, 2020 and September 10, 2020	Between April 1, 2016 and July 1, 2020	2,843,310	0.75%
Other employees (ranging from 1 outstanding Share to 199,999 outstanding Shares)⁽⁷⁾							
			0.00001-0.655	September 4, 2019, June 30, 2020 and September 10, 2020	Between April 1, 2016 and July 1, 2020	2,384,750	0.63%
						9,311,900	2.48%
						9,311,900	2.48%

Notes:

- (1) The respective offer letter sets out the option period of 10 years for each corresponding grantee.
- (2) These percentages are calculated on the basis of 376,176,229 Shares in issue immediately following completion of the Global Offering and assuming that the Over-allotment Option is not exercised and without taking into account any additional Shares to be issued upon the exercise of the Share Incentivization Schemes, Syracuse Holdback Shares and Juno Settlement Shares.
- (3) For the avoidance of doubt, despite the title as director, Dr. Su Yang is a member of the Company's senior management and not a member of the Board.
- (4) Mr. Qiong Wu joined our Company as the chief commercial officer in September 2020 and reports directly to Dr. Li, our CEO. He is responsible in building the sales and commercialization team and formulating marketing strategies.
- (5) Dr. Patrick Y. Yang is the chairman of the board and co-founder of Acepodia. Dr. Patrick Y. Yang is currently our consultant. He was engaged as our Company's consultant in January 2017 to provide talent recruitment services and high-level strategic guidance. He was also responsible in recruiting key personnel and assisting with interviewing assessment and on-job coaching. His engagement with our Company was subsequently suspended as he took up full-time role in Juno as executive vice president in September 2017. After his Juno employment termination in 2019 as a result of the Celgene acquisition of Juno, he resumed his consultancy role with the Company.
- (6) Other employees (ranging from 200,000 outstanding Shares to 800,000 outstanding Shares) include seven grantees which consist of Ms. Yin Cheng, Ms. Jing Lv, Mr. Jun Gu, Ms. Jing Sun, Ms. Liming Zhu, Ms. Ye Zhu and Ms. Yi Zhang.
- (7) Other employees (ranging from 1 outstanding Share to 199,999 outstanding Shares) include 115 grantees.
- (8) Options granted generally vest over a four-year period. There are two types of vesting schedules: (i) with 30% of total options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively. Mr. Xin Fu, Dr. Su Yang and Mr. Qiong Wu have been granted options which are under both of the above vesting schedules. Dr. Patrick Y. Yang has been granted options which are under vesting schedule (ii) above only.

Below is a list of Grantees of the option under the Pre-IPO Incentivization Scheme:

<u>Exercise price (US\$/share)</u>	<u>Grant date</u>	<u>Vesting commencement date</u>	<u>Number of outstanding Shares under the options granted</u>	<u>Approximate percentage of issued Shares immediately after completion of the Global Offering ⁽¹⁾</u>
0.00001	September 10, 2020	July 1, 2020	3,529,840	0.94%
0.0001	June 30, 2020	between July 1, 2019 and July 1, 2020	2,273,070	0.60%
0.1	September 4, 2019	between April 1, 2016 and July 1, 2019	3,112,140	0.83%

<u>Exercise price (US\$/share)</u>	<u>Grant date</u>	<u>Vesting commencement date</u>	<u>Number of outstanding Shares under the options granted</u>	<u>Approximate percentage of issued Shares immediately after completion of the Global Offering ⁽¹⁾</u>
0.655	September 4, 2019	between April 1, 2018 and April 1, 2019	396,850	0.11%

Notes:

- (1) These percentages are calculated on the basis of 376,176,229 Shares in issue immediately following completion of the Global Offering and assuming that the Over-allotment Option is not exercised and without taking into account any additional Shares to be issued upon the exercise of the Share Incentivization Schemes, Syracuse Holdback Shares and Juno Settlement Shares.
- (2) Options granted generally vest over a four-year period. There are two types of vesting schedules: (i) with 30% of total options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.
- (3) The respective offer letter sets out the option period of 10 years for each corresponding grantee.

Subject to any alterations set out under the Pre-IPO Incentivization Scheme in the event of any capitalization issue, rights issue, open offer, sub-division, consolidation of shares, or reduction of capital of our Company that may take place after the Listing, the total number of shares subject to the options and RSUs granted under the Pre-IPO Incentivization Scheme and Restricted Share Unit Scheme shall be no more than 36,031,500 Shares, representing approximately 9.58% of the issued share capital of our Company immediately upon completion of the Global Offering (excluding any Share which may fall to be allotted and issued upon the exercise of the Over-allotment Option or under the Pre-IPO Incentivization Scheme, Syracuse Holdback Shares and Juno Settlement Shares are not issued). As such, taking into account the Shares to be allotted and issued under the Pre-IPO Incentivization Scheme and Restricted Share Unit Scheme, the shareholding of our Shareholders immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any additional Shares which may be issued under the Share Incentivization Schemes, the Syracuse Holdback Shares and Juno Settlement Shares) will be diluted by approximately 8.01%. The consequent impact on the earnings per ordinary Share for the years ended December 31, 2018 and 2019 and six months ended June 30, 2020 is nil, nil and nil, respectively, being the incremental impact to diluted earnings per share, since the options would not be included in the calculation of diluted earnings per share due to anti-dilution.

Waiver and Exemption

Our Company has applied for and has been granted (i) a waiver from the Stock Exchange from strict compliance with the disclosure requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules; and (ii) an exemption from the SFC from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance. For further details, please see the section headed “Waiver from Strict Compliance with the Listing Rules and Exemptions from Compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance” in this prospectus.

2. Restricted Share Unit Schemes

In order to attract, retain and motivate employees, Directors and such other eligible persons and to provide a means of compensating them through the grant of RSUs for their contribution to the growth and profits of the Group, and to allow such employees, directors and other persons to participate in the growth and profitability of the Group, our Company adopted the Restricted Share Unit Schemes on September 4, 2019 and October 14, 2020. The terms of the Restricted Share Unit Schemes are not subject to the provisions of Chapter 17 of the Listing Rules.

The following is a summary of the principal terms of the Restricted Share Unit Schemes.

(a) Summary of terms

Duration. Subject to the termination provisions under the Restricted Share Unit Schemes, the Restricted Share Unit Schemes shall be valid and effective for a period of ten years commencing on the adoption date, after which period no further RSUs will be granted, but the provisions thereof shall in all other respects remain in full force and effect and the RSUs shall be settled in accordance with the terms upon which the RSUs are granted.

Administration. The Restricted Share Unit Schemes shall be subject to the administration of the Board or a duly authorized committee thereof (the “**RSU Administrator**”) and the decision of the RSU Administrator shall be final and binding on all parties thereto. The RSU Administrator shall have the right (i) to interpret and construe the provisions of the Restricted Share Unit Schemes, (ii) to determine the persons who will be granted awards of RSUs under the schemes, the number and other terms in relation to the awards granted thereto, (iii) to make such appropriate and equitable adjustments to the terms of awards granted under the Restricted Share Unit Schemes as it deems necessary, and (iv) to make such other decisions or determinations as it shall deem appropriate in the administration of the Restricted Share Unit Schemes.

Award Agreement. Each award granted under the Restricted Share Unit Schemes shall be evidenced by an award agreement between the Company and a participant.

Types of awards. The Restricted Share Unit Schemes provide for awards of RSUs. Each award agreement will contain such terms, conditions, and restrictions related to the grant, including the numbers of RSUs. A RSU may be earned upon the attainment of the applicable vesting criteria (e.g. achievement of Company-wide, business unit, or individual goals) or otherwise as the RSU Administrator may determine. A RSU may be settled in cash, Shares or a combination of both.

Payment. At the time of grant of RSUs, the RSU Administrator will determine the consideration, if any, to be paid by the grantee upon delivery of each share subject to the RSUs. The consideration to be paid (if any) by the grantee for each share subject to an RSU shall be set forth in the award agreement for such RSUs and may be paid in any form of legal consideration that may be acceptable to the RSU Administrator, in its sole discretion, and permissible under applicable laws.

Rights are personal to the grantee. Unless otherwise determined by the RSU Administrator or provide in an award agreement, a RSU shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any RSU, except for the transmission of an award on the death or incapacitation of the grantee to his personal representative(s) by will or by laws of descent and distribution.

Maximum number of Shares.

- (i) The maximum number of Shares in respect of which awards may be granted under the Pre-IPO Incentivization Scheme and the Restricted Share Unit Scheme shall not, in aggregate exceed 36,031,500 Shares which is a shared common pool.
- (ii) The maximum number of Shares in respect of which awards may be granted under the Post-IPO RSU Scheme shall not, in aggregate exceed 7,539,449 Shares.
- (iii) The maximum number of Shares referred to in paragraphs (i) and (ii) will be adjusted in the event of any alteration in the capital structure of the Company whether by way of capitalization of profits or reserves, rights issue or other similar offer of securities to holders of Shares, consolidation, sub-division or reduction of the share capital of the Company or otherwise howsoever.

Right of Forfeiture. Upon the circumstances set forth in an award agreement, the applicable unvested RSUs will be forfeited to the Company automatically. Any RSUs cancelled at the RSU Administrator's discretion or cancelled due to breach of non-transferability will be forfeited to the Company automatically upon the cancellation.

Dissolution or Liquidation. In the event of a proposed dissolution or liquidation of the Company, to the extent a RSU granted has not been previously earned or vested, a RSU granted will terminate immediately prior to the commencement of such proposed action.

Reorganization of Capital Structure. In the event of any alteration in the capital structure of the Company, whether by way of capitalization of profits or reserves, rights issue, or other similar offer of securities to holders of Shares, consolidation, sub-division or reduction or similar reorganization of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding alterations (if any) shall be made by the RSU Administrator at its sole discretion in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Restricted Share Unit Schemes and/or Pre-IPO Incentivization Scheme to the number and class of shares that may be delivered under the Restricted Share Unit Schemes and/or Pre-IPO Incentivization Scheme and/or the number, class and price of shares covered by each outstanding award, provided that a Grantee shall be given the same proportion of the issued share capital of the Company as that to which such person was previously entitled, but so that no such adjustment be made to the extent that a share would be issued at less than its nominal value.

Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding award will be treated as the Administrator determines including, without limitation, that:

- (i) each award will be assumed or substituted by a substantially equivalent award of the acquiring or succeeding corporation;
- (ii) upon written notice to a grantee, that such grantee's awards will terminate upon or immediately prior to the consummation of such merger or Change in Control;
- (iii) outstanding award will vest and become realizable, or payable, or restrictions applicable to an award will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the RSU Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control;

- (iv) (A) the termination of an award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the settlement or payout of such award or realization of the grantee's rights as of the date of the occurrence of the transaction, or (B) the replacement of such award with other rights or property selected by the RSU Administrator in its sole discretion; or
- (v) any combination of the foregoing.

Any award which is neither assumed or substituted for by the successor corporation in connection with the Change in Control, all award shall be fully vested and all restrictions on RSUs will lapse.

For the above purpose, a "Change in Control" means the occurrence of any of the following events: (i) any one person, or more than one person acting as a group, acquires ownership of the Shares of the Company that constitutes more than 50% of the total voting power of the Shares of the Company; or (ii) a majority of members of the RSU Administrator is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the RSU Administrator prior to the date of the appointment or election; or (iii) any person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions.

(b) Restrictions on grants

The Board or the RSU Administrator shall not grant any RSUs to any selected person nor shall they give any direction or recommendation to the Trustee with respect to any RSUs, award or Share under the Post-IPO Restricted Share Unit Scheme in any of the following circumstances:

- (1) after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced by the Company in accordance with the requirements of the Listing Rules or where any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations. In particular, during the period commencing one month immediately preceding the earlier of:
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not

required under the Listing Rules); and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules).

(2) if any RSU is proposed to be granted to a Director, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

(i) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

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

(3) Grants to Connected Persons

Any grant of an award to any Director, chief executive of the Company or Substantial Shareholder, any of their respective associates, or any other connected person, shall be subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Directors who is the proposed grantee of such RSUs) and shall otherwise be subject to compliance with the requirements of the Listing Rules.

(c) *Appointment of Computershare Hong Kong Trustees Limited (the “Trustee”)*

On September 9, 2020 and October 16, 2020, the Company entered into trust deeds with the Trustee, an Independent Third Party, pursuant to which the Trustee has agreed to act as the trustee to administer the Restricted Share Unit Schemes and to hold certain Shares underlying the RSUs granted under the Restricted Share Unit Schemes. On October 16, 2020, the Company allotted and issued a total of 10,834,109 Shares, representing a total of 10,834,109 Shares underlying the awards granted under the Restricted Share Unit Schemes, to the Trustee so to set aside a pool of Shares to satisfy the awards granted under the Restricted Share Unit Schemes. No further Shares will be allotted and issued to the Trustee for the purpose of the Restricted Share Unit Schemes (other than pursuant to capitalization issue, rights issue, sub-division or consolidation of shares in accordance with the Restricted Share Unit Schemes), and no further award under the Restricted Share Unit Schemes will be granted after Listing.

The Trustee will not exercise any voting right in respect of the RSUs, and a grantee is not entitled to any non-scrip dividend in respect of the RSUs, unless and until such Shares are released to the grantee upon vesting of the awards. All scrip dividend obtained by the Trustee in respect of

the RSUs Shares shall be treated as income of the trust fund and may be applied by the Trustee to cover the reasonable costs and expenses of the Trustee in the performance of its duties under the trust deed.

Upon termination or expiry of the Restricted Share Unit Schemes, any RSUs remained under the trust for which awards have lapsed or been terminated in accordance with the Restricted Share Unit Schemes shall be sold on market by the Trustee or dealt with in accordance with the Company's instructions, and any net proceeds from such sale shall be remitted to the Company. The RSUs held by the Trustee which have not yet been released to the grantees pursuant to any exercise of options or vesting of the awards will not be counted towards the public float.

Notwithstanding the above, any grant of RSUs to a Director as part of such Director's remuneration under his/her service contract with the Company shall be exempted from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.31(6) of the Listing Rules.

(d) Outstanding RSUs

As at the Latest Practicable Date, the aggregate number of underlying Shares pursuant to the outstanding RSUs granted under the Restricted Share Unit Scheme is 23,424,940 Shares, representing approximately 6.23% of the total issued Shares immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised, no additional Shares are issued pursuant to the Share Incentivization Schemes and Syracuse Holdback Shares and Juno Settlement Shares are not issued.

(e) General

Application has been made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued pursuant to the Restricted Share Unit Schemes.

The Company will issue announcements according to applicable Listing Rules, disclosing particulars of any RSUs granted under the Restricted Share Unit Schemes, including the date of grant, number of Shares involved, the vesting period and comply with Chapter 14A of the Listing Rules. Details of the Restricted Share Unit Schemes, including particulars and movements of the RSUs granted during each financial year of our Company, and our employee costs arising from the grant of the RSUs will be disclosed in our annual report.

(f) Directors, senior management, connected persons of our Group and other management and employees and consultants

Our Directors and senior management, who are considered connected persons of our Group and other management and employees and consultants, are granted outstanding RSUs under the Restricted Share Unit Scheme to subscribe for an aggregation of 23,424,940 outstanding Shares, representing approximately 6.23% of the issued share capital of our Company upon completion of the Global Offering, and assuming the Over-allotment Option is not exercised and without taking into account any additional Shares to be issued pursuant to the Share Incentivization Schemes and Syracuse Holdback Shares and Juno Settlement Shares. The proposal to grant the RSUs under the Restricted Share Unit Scheme to the grantees as set out below has been approved by the Board.

Below is a list of grantees of the RSUs under the Restricted Share Unit Scheme:

Name of Grantee	Number of outstanding Shares underlying RSUs granted	Approximate percentage of issued Shares immediately after completion of the Global Offering ⁽¹⁾
Director		
Dr. Li	12,588,620	3.35%
Mr. Hans Edgar Bishop	757,650	0.20%
Senior Management⁽²⁾	5,276,150 ⁽³⁾	1.40%
Other employees and consultants	4,802,520 ⁽⁴⁾	1.28%
Total	23,424,940	6.23%

Notes:

- (1) These percentages are calculated on the basis of 376,176,229 Shares in issue immediately following completion of the Global Offering and assuming that the Over-allotment Option is not exercised and without taking into account any additional Shares to be issued upon the exercise of the Share Incentivization Schemes and Syracuse Holdback Shares and Juno Settlement Shares are not issued.
- (2) Senior management members consist of Dr. Lapyuen Harry Lam, Dr. Hongxia Zheng and Mr. Wenjun Sun.
- (3) This figure underlines the aggregate number of outstanding Shares underlying the RSUs granted to the senior management of our Company.
- (4) This figure underlines the aggregate number of outstanding Shares underlying the RSUs granted to other employees and consultants of our Company.

The following table summarizes the number of underlying Shares of the RSUs granted under the Restricted Share Unit Scheme:

	<u>Number of underlying Shares</u>
Outstanding RSUs granted to the Directors and members of the senior management	18,622,420
Outstanding RSUs granted to other grantees other than the Directors and members of the senior management.	<u>4,802,520</u>
Total.	<u>23,424,940</u>

3. Post-IPO Incentivization Scheme

The following is a summary of the principal terms of the Post-IPO Incentivization Scheme conditionally adopted by the resolutions in writing of all our Shareholders passed on October 14, 2020 and its implementation is conditional on the Listing.

(a) Purpose

The purpose of the Post-IPO Incentivization Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. Our Directors consider the Post-IPO Incentivization Scheme, with its broadened basis of participation, will enable our Group to reward our employees, our Directors and other selected participants for their contributions to our Group. Given that our Directors are entitled to determine the performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by our Directors, it is expected that grantees of an option will make an effort to contribute to the development of our Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the options granted.

(b) Who may join

Our Directors (which expression shall, for the purpose of this paragraph, include a duly authorized committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who our Board considers, in its sole discretion, have contributed or will contribute to our Group, to take up options to subscribe for Shares:

- (i) any directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of any member of our Group; and
- (ii) any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of our Group.

(together, the “**Eligible Persons**” and each an “**Eligible Person**”)

For the purposes of the Post-IPO Incentivization Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of these classes of participants. For the avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who falls within any of these classes of participants shall not, by itself, unless our Directors otherwise so determine, be construed as a grant of option under the Post-IPO Incentivization Scheme.

The eligibility of any of these class of participants to the grant of any option shall be determined by our Directors from time to time on the basis of our Directors’ opinion as to the participant’s contribution to the development and growth of our Group.

(c) Maximum number of Shares

- (i) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Post-IPO Incentivization Scheme and any other share option scheme of our Group (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not in aggregate exceed 30% of the issued share capital of our Company from time to time.

- (ii) The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Incentivization Scheme and any other share option scheme of our Group (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not in aggregate exceed 10% of the Shares in issue on the day on which trading of the Shares commence on the Stock Exchange, such 10% limit represents 37,617,622 Shares (the “**General Scheme Limit**”), but excluding any Shares which may be issued upon the exercise of the Over-allotment Option.
- (iii) Subject to paragraph (i) above and without prejudice to paragraph (iv) below, our Company may issue a circular to its Shareholders and seek approval of its Shareholders in a general meeting to extend the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Incentivization Scheme and any other share option scheme of our Group shall not exceed 10% of the Shares in issue as of the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Post-IPO Incentivization Scheme and any other share option scheme of our Group) previously granted under the Post-IPO Incentivization Scheme and any other share option scheme of our Group (and to which the provisions of Chapter 17 of the Listing Rules are applicable) will not be counted. The circular sent by our Company to its Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (iv) Subject to paragraph (i) above and without prejudice to paragraph (iii) above, our Company may seek separate Shareholders’ approval in a general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph (iii) above to participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

(d) Maximum entitlement of each participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Incentivization Scheme and any other share option scheme of our Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being (the “**Individual Limit**”). Any further grant of options in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to our Shareholders and our Shareholders’ approval in general meeting of our Company with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders’ approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

(e) Grant of options to connected persons

- (i) Any grant of options under the Post-IPO Incentivization Scheme to a director, chief executive or substantial shareholder of our Company or any of their respective associates must be approved by our independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options).
- (ii) Where any grant of options to a substantial Shareholder of our Company or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - 1. representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and

2. having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet the date of the offer of grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange);

such further grant of options must be approved by our Shareholders in a general meeting. Our Company must send a circular to its Shareholders. The grantee, his associates and all core connected persons of our Company must abstain from voting in favor of the relevant resolution at such general meeting. Any vote taken at the general meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive Director or any of their respective associates must be approved by our Shareholders in a general meeting.

(f) Time of acceptance and exercise of option

An option may be accepted by a participant within 5 Business Days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Post-IPO Incentivization Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Post-IPO Incentivization Scheme. Unless otherwise determined by our Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Post-IPO Incentivization Scheme for the holding of an option before it can be exercised.

(g) Performance targets

Unless our Directors otherwise determine and state in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Post-IPO Incentivization Scheme can be exercised.

(h) Subscription price for Shares and consideration for the option

The subscription price per Share under the Post-IPO Incentivization Scheme will be a price determined by our Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five Business Days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five Business Days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Global Offering shall be used as the closing price for any Business Day falling within the period before Listing); and (iii) the nominal value of a Share on the date of grant.

A nominal consideration of HK\$1.00 is payable upon acceptance of the grant of an option.

(i) Ranking of Shares

- (i) Shares allotted and issued upon the exercise of an option will be identical to the then existing issued shares of our Company and subject to all the provisions of the Memorandum of Association and Articles of Association and will rank *pari passu* in all respects with the fully paid Shares in issue on the date the name of the grantee is registered on the register of members of our Company or, if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members ("**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an option shall not carry voting rights or rights to participate in any dividends or distributions (including those arising on a liquidation of our Company) declared or recommended or resolved to be paid to the Shareholders on the register until the completion of the registration of the grantee on the register of members of our Company as the holder thereof.
- (ii) Unless the context otherwise requires, references to "Shares" in this paragraph include references to shares in the ordinary equity share capital of our Company of such nominal amount as shall result from a subdivision, consolidation, re-classification or reconstruction of the share capital of our Company from time to time.

(j) Restrictions on the time of grant of options

No offer for grant of options shall be made after inside information has come to our Company's knowledge until it has announced the information in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of the meeting of our Directors (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of our Company's results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules); and (b) the last date on which our Company must publish its announcement of its results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no offer for grant of options may be made.

Our Directors may not grant any option to a participant who is a Director during the period or time in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

(k) Period of the Post-IPO Incentivization Scheme

The Post-IPO Incentivization Scheme will remain in force for a period of 10 years commencing on the date on which the Post-IPO Incentivization Scheme is adopted.

(l) Rights are personal to the grantee

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any option, except for the transmission of an option on the death of the grantee to his personal representative(s) on the terms of the Post-IPO Incentivization Scheme.

(m) Rights on ceasing employment

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, or for serious misconduct or other grounds referred to in sub-paragraph (o) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless our Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as our Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was physically at work with our Group whether salary is paid in lieu of notice or not.

(n) Rights on death

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of death of the grantee.

(o) Rights on dismissal

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of our Directors does not bring the grantee or our Group into disrepute) or on any other ground on which an employer would be entitled to terminate his or her employment summarily, his or her option will lapse automatically and will not be exercisable on or after the date of ceasing to be an Eligible Employee.

(p) Rights on a general offer, a compromise or arrangement

If a general offer by way of takeover or otherwise (other than by way of scheme of arrangement) is made to our Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant option, our Company shall forthwith give notice thereof to the grantee and the grantee shall be entitled to exercise the option to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, at any time within such period as shall be notified by our Company.

If a general offer for Shares by way of scheme of arrangement is made to our Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, our Company shall forthwith give notice thereof to the grantee and the grantee may at any time thereafter (but before such time as shall be notified by our Company) exercise the option to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company.

(q) Rights on winding up

In the event a notice is given by our Company to our Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to the grantee and the grantee (or in the case of the death of the grantee, his personal representatives(s)) may at any time within such period as shall be notified by our Company, subject to the provisions of all applicable laws, exercise the option to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed general meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such option.

(r) Adjustments to the subscription price

In the event of a capitalization issue, rights issue, subdivision or consolidation of Shares or reduction of capital of our Company whilst an option remains exercisable, such corresponding adjustment (if any) certified by the auditors for the time being or an independent financial advisor to our Company as fair and reasonable will be made to (a) the number or nominal amount of Shares to which the Post-IPO Incentivization Scheme or any option relates, so far as unexercised, and/or (b) the subscription price of the option concerned, and/or (c) the method of exercise of the Option, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such alteration; (ii) the issue of Shares or other securities of our Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. In addition, in respect of any such adjustments, other than any adjustment made on a capitalization issue, such auditors or independent financial advisor must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules and such other applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, but not limited to, the “Supplementary Guidance on Main Board Listing Rule 17.03(13) and the Note immediately after the Rule” attached to the letter from the Stock Exchange dated September 5, 2005 to all issuers relating to Post-IPO Incentivization Schemes).

(s) Cancellation of options

Any options granted but not exercised may be cancelled if the grantee so agrees. Issuance of new options to the same grantee may only be made if there are unissued options available under the Post-IPO Incentivization Scheme (excluding the cancelled options) and in compliance with the terms of the Post-IPO Incentivization Scheme.

(t) Termination of the Post-IPO Incentivization Scheme

Our Company may by ordinary resolution in a general meeting at any time resolve to terminate the Post-IPO Incentivization Scheme prior to the expiry of the Post-IPO Incentivization Scheme and in such event no further options shall be offered or granted but in all other respects the provisions of the Post-IPO Incentivization Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Post-IPO Incentivization Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Post-IPO Incentivization Scheme.

(u) Lapse of option

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

- (i) the expiry of the period referred to in sub-paragraph (f);
- (ii) the expiry of the periods or dates referred to in sub-paragraphs (m), (n), (o), (p) and (q);
- (iii) the date on which the grantee commits a breach of the provision which restricts the grantee to transfer or assign an option granted under the Post-IPO Incentivization Scheme or sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any option except for the transmission of an Option on the death of the Grantee to his personal representative(s) on the terms of this Scheme;
- (iv) the date on which the grantee (being an employee or a director of any member of our Group) ceases to be a participant of the Post-IPO Incentivization Scheme by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (v) the date on which the grantee joins a company which the board believes in its sole and reasonable opinion to be a competitor of our Company;
- (vi) the date on which the grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts or has become insolvent or has made any arrangement or composition with its creditors generally; and
- (vii) unless our Board otherwise determines, and other than in the circumstances referred to in sub-paragraphs (m) or (n), the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any other reason.

(v) Others

- (i) The Post-IPO Incentivization Scheme is conditional on the Stock Exchange granting or agreeing to grant approval of (subject to such condition as the Stock Exchange may impose) the listing of and permission to deal in such number of Shares to be issued pursuant to the exercise of any options which may be granted under the Post-IPO Incentivization Scheme, such number representing the General Scheme Limit. Application has been made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued within the General Scheme Limit pursuant to the exercise of any options which may be granted under the Post-IPO Incentivization Scheme.
- (ii) The terms and conditions of the Post-IPO Incentivization Scheme relating to the matters set forth in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of our Shareholders in a general meeting.
- (iii) Any alterations to the terms and conditions of the Post-IPO Incentivization Scheme which are of a material nature or any change to the terms of options granted must be approved by our Shareholders in a general meeting and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the Post-IPO Incentivization Scheme.
- (iv) The amended terms of the Post-IPO Incentivization Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (v) Any change to the authority of our Directors or the scheme administrators in relation to any alteration to the terms of the Post-IPO Incentivization Scheme shall be approved by our Shareholders in a general meeting.

(w) Value of options

Our Directors consider it inappropriate to disclose the value of options which may be granted under the Post-IPO Incentivization Scheme as if they had been granted as of the Latest Practicable Date. Any such valuation will have to be made on the basis of a certain option pricing model or other method that depends on various assumptions including the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. Our Directors believe that any calculation of the value of options granted as of the Latest Practicable Date would be based on a number of speculative assumptions that are not meaningful and would be misleading to investors.

(x) *Grant of options*

As of the date of this prospectus, no options have been granted or agreed to be granted under the Post-IPO Incentivization Scheme.

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Post-IPO Incentivization Scheme.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

Save as disclosed in the section headed “Risk Factors” in this prospectus and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue (including the Shares or conversion of Preferred Shares) and to be issued pursuant to (i) the Global Offering; (ii) the over-Allotment Option; (iii) the Share Incentivization Schemes; (iv) Syracuse Holdback Shares and (v) Juno Settlement Shares.

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, each of the Joint Sponsors will receive a fee of US\$500,000 for acting as the sponsor for the Listing.

4. Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
Goldman Sachs (Asia) L.L.C.	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
UBS Securities Hong Kong Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under the Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Tian Yuan Law Firm	Legal advisor to the Company as to PRC law
Maples and Calder (Hong Kong) LLP	Legal advisor to the Company as to Cayman Islands law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry Consultant

As at the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

5. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

6. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

7. Preliminary expenses

We have not incurred any material preliminary expense.

8. Other Disclaimers

- (a) Save as disclosed in the sections headed “Financial Information” and “Underwriting” in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
 - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

- (b) Save as disclosed in the sections headed “Financial Information”, “Underwriting” and “Risk Factors” in this prospectus:
- (i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
 - (ii) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
 - (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries.
- (c) Save as disclosed in “— Further Information about our Business — Summary of Material Contracts” in this section, none of our Directors or proposed Directors or experts (as named in this prospectus), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.
- (d) We do not have any promoters. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus within the two years immediately preceding the date of this prospectus.
- (e) There is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.
- (f) There is no arrangement under which future dividends are waived or agreed to be waived.