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As confidentially submitted to the Securities and Exchange Commission on September 5, 2019

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM F-1
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

I-MAB

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Cayman Islands	**2834**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

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Shanghai, 201210
People's Republic of China
+86 21-6057-8000

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

[ ]

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933. Emerging growth company. ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price(2)(3)	Amount of registration fee
Ordinary shares, par value US$0.0001 per share(1)	US$	US$

(1) American depositary shares issuable upon deposit of ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-). Each American depositary share represents ordinary shares.

(2) Includes ordinary shares that are issuable upon the exercise of the underwriters' over-allotment option. Also includes ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These ordinary shares are not being registered for the purpose of sales outside the United States.

(3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated , 2019.

American Depositary Shares

[LOGO]

I-MAB

Representing Ordinary Shares

This is an initial public offering of American depositary shares (the "ADSs"), by I-Mab. Each ADS represents of our ordinary shares, par value US$0.0001 per share.

Prior to this offering, there has been no public market for the ADSs or our shares. We anticipate that the initial public offering price will be between US$ and US$ per ADS. We intend to apply to list the ADSs on [the Nasdaq Global Market] under the symbol "IMAB."

We are an "emerging growth company" under applicable U.S. federal securities laws and are eligible for reduced public company reporting requirements.

Investing in our ADSs involves risks. See "Risk Factors" beginning on page 18 for factors you should consider before buying the ADSs.

Neither the United States Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

PRICE US$ PER ADS

	Per ADS	Total
Initial public offering price	US$	US$
Underwriting discounts and commissions	US$	US$
Proceeds, before expenses, to us	US$	US$

(1) For a description of compensation payable to the underwriters, see "Underwriting."

We have granted the underwriters an option to purchase up to an additional ADSs within 30 days from the date of this prospectus at the initial public offering price, less the underwriting discounts and commissions.

The underwriters expect to deliver the ADSs against payment in U.S. dollars in New York, New York on or about , 2019.

CICC

Prospectus dated , 2019.

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You should rely only on the information contained in this prospectus or in any related free writing prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus or in any related free writing prospectus. We are offering to sell, and seeking offers to buy the ADSs, only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the ADSs.

Neither we have nor any of the underwriters has taken any action to permit a public offering of the ADSs outside the United States or to permit the possession or distribution of this prospectus or any filed free writing prospectus outside the United States. Persons outside the United States who come into possession of this prospectus or any filed free writing prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of this prospectus or any filed free writing prospectus outside the United States.

Until , 2019 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our ADSs discussed under "Risk Factors," before deciding whether to invest in our ADSs. This prospectus contains information from an industry report commissioned by us and prepared by Frost & Sullivan, an independent research firm, to provide information regarding our industry and our market position. We refer to this report as the Frost & Sullivan Report.

Overview

We are a clinical stage biopharmaceutical company committed to the discovery, development and commercialization of first-in-class or best-in-class biologics to treat diseases with significant unmet medical needs, particularly cancers and autoimmune disorders. First-in-class biologics are innovative medicines for which we commit to using a new and unique mechanism of action to treat a medical condition in oncology or autoimmune diseases. Best-in-class biologics are innovative medicines for which we commit to developing, by our design, to become highly differentiated from currently marketed drugs or drug candidates currently in either clinical or pre-clinical development by a third party that target the same biological target, based on their respective pharmacokinetic, pharmacodynamic and biophysical properties, as applicable. Our mission is to bring transformational medicines to patients through innovation.

We were founded to capture the opportunities presented by the confluence of two major developments—the emergence of an attractive and growing biologics market in China, and the revolutionary scientific breakthroughs in cancer and autoimmune disease medicines. We believe we are well-positioned to become a biotech leader in China because of our innovative discovery expertise, fit-for-purpose technology platforms, biomarker-enabled translational medicine capabilities, and clinical development capabilities. These integrated capabilities are further enhanced by our deep understanding of China's biologics regulatory framework and our direct access to extensive pre-clinical and clinical trial resources in China. To date, we have developed an innovative pipeline of more than 10 clinical and pre-clinical stage assets through our internal research and development efforts and in-licensing arrangements with global pharmaceutical and biotech companies.

Commercial Opportunities in China and Our Unique Position

We are fully aware of the competitive and regulatory challenges we face as an innovative clinical stage biotech company based in China, including need to raise significant capital, significant competition from global and other China-based biopharmaceutical companies, less streamlined regulatory pathway compared to countries with long-established regulatory systems, and potential implementation challenges and uncertainties of the recent government reform of the drug approval system. However, with these challenges in mind, we have been mitigating the risks through our internal R&D system that integrates multi-functional aspects of our drug development process to proactively deal with some of the regulatory challenges mentioned above. Furthermore, through our Beijing office which focuses on regulatory matters, we have established an effective communication channel with the regulatory agencies to discuss and resolve various regulatory issues promptly and effectively. We see vast opportunities for immuno-oncology and autoimmune biologics therapies in China. First, both the incidence and mortality of cancers in China have been increasing in recent years and are outpacing those in the United States and the rest of the world. Second, many innovative biologics approved to treat cancer and autoimmune diseases in the United States and Europe are not yet available in China. Third, the Chinese government has implemented new policies and regulations to simplify the review and approval cycle of clinical trials and new drug applications to encourage biologics innovation. Fourth, there has been a continuous and rapid increase in personal disposable income in China coupled with ongoing improvement in basic national health

insurance coverage, making innovative biologics more accessible to more Chinese patients. According to the Frost & Sullivan Report, China's biologics market is growing faster than the global biologics market and is expected to reach approximately RMB1.3 trillion (US$189.4 billion) by 2030 in terms of sales revenue.

We believe we are uniquely positioned as a China-based global player to tap into these vast commercial opportunities. This is best demonstrated by our short journey in becoming one of the top clinical stage immunology companies in China. According to the Frost & Sullivan Report, we are ranked as top clinical stage China-based immunology companies as measured by the innovative quality and number of investigational drugs and drug candidates under clinical and pre-clinical development in our pipeline, amount of pre-IPO financing raised (in excess of US$400 million in three years), pre-IPO valuation and recognition and awards earned in the biotech industry. For example, in March 2019, Genetic Engineering & Biotechnology News (GEN) recognized us as a top 10 immuno-oncology start-up in the world. We were the only China-based company recognized therein. To date, our research and development capabilities encompass discovery, biologics CMC development, pre-clinical development and clinical development with footprints in Shanghai, Beijing and the United States. We are now at a critical juncture to transition from a clinical stage biotech company into a fully integrated end-to-end global biopharmaceutical company in the next few years.

Our Unique Business Model

To achieve our mission and capitalize on these commercial opportunities, we have developed a business model built on two pillars: a fast-to-market China strategy and a fast-to-PoC (proof of concept) global strategy.

Fast-to-Market China Strategy

Our fast-to-market China strategy focuses on seeking opportunities to in-license the development and commercialization rights of investigational drugs from global biopharmaceutical companies for Greater China. We only select investigational drugs that have the potential to become first-in-class or highly differentiated medicines. Through our substantial in-house research and development efforts, we build additional data packages to meet the requirements of the National Medical Products Administration (the "NMPA") to ensure programs are ready for late-stage or registrational clinical development. Our internal development capabilities combined with our deep insight into China's regulatory framework and our clinical network enable us to efficiently navigate through the drug development process to registration. To date, we have built an innovative China Portfolio consisting of five investigational drugs with an aim for near-term product launch. All of these investigational drugs have met the related pre-set safety and preliminary efficacy endpoints in Phase 1 or Phase 2 clinical trials in Europe, the United States or elsewhere and are either in or ready for Phase 2 or Phase 3 clinical trials in China. TJ202 is undergoing two registrational trials, a monotherapy trial and a combination therapy trial in relapsed or refractory multiple myeloma in Greater China, and we will soon initiate a Phase 1b trial in systemic lupus erythematosus ("SLE") in the first half of 2020. For TJ101, we expect to submit an investigational new drug ("IND") for a Phase 3 registrational trial in China by early 2020. For enoblituzumab, we expect to initiate either a registrational trial (pending the NMPA's regulatory approval) or a Phase 2 trial by the end of 2020. As a result, the investigational drugs in our China Portfolio are positioned for a series of new drug applications (NDAs) in China with the submission of the first NDA expected in 2021.

Fast-to-PoC Global Strategy

Our fast-to-PoC global strategy focuses on advancing our own novel or differentiated biologics towards clinical validation in the United States. First, we seek PoC of these drug candidates in the United States by conducting early phase clinical trials with a set of safety and efficacy endpoints and leveraging the FDA's streamlined regulatory system for innovative drug discovery, including a predictable timeline towards approval. Second, we will use the data generated to advance clinical development in China, which we believe confers

several advantages, including access to China's large patient pool, extensive clinical trial resources through collaborations with leading hospitals in China, and a regulatory pathway for fast-track approval of drugs supported by solid overseas clinical data. Building on this approach, we typically out-license the global rights (excluding Greater China) of these investigational drugs following clinical validation in the United States, while retaining the Greater China rights for further development and commercialization. We believe this approach will allow Chinese patients to benefit from our most advanced treatments concurrently or soon after their market approvals elsewhere. To date, we have created a Global Portfolio that consists of two molecular classes—monoclonal antibodies and bi-specific antibodies, which are internally generated. They are highly innovative molecules compared to global competitor assets in the same or related classes of drug candidates. Three investigational drugs in our Global Portfolio (TJM2, TJC4 and TJD5) are in Phase 1 trials in the United States.

These two strategies and the resulting two portfolios complement each other and enable us to achieve a balance among our ambition to develop first-in-class and best-in-class drugs, our goal to efficiently advance our pipeline assets towards commercialization and the inherent development risks. With this goal in mind, we are also aware that the intended novelty for first-in-class potential and key differentiation for best-in-class potential of our investigational drugs or drug candidates are subject to pivotal clinical validation and approval by the relevant regulatory authorities. There is no assurance that any such investigational drug or drug candidate will receive regulatory approval. See "Risk Factors" for a detailed description of the risks related to the development and commercialization of our drug candidates.

Our Capabilities

Our Innovative Discovery Expertise

Built by an elite group of seasoned immunologists with extensive academic research and drug development experience, our discovery engine has generated a panel of internally developed innovative drug molecules in a short span of four years. Among them, 11 innovative drug molecules have met our standard of first-in-class or best-in-class and have advanced toward further development. This achievement is a testament to our discovery team's acumen and technical prowess in translating target biology into points of innovation or differentiation.

The discovery of TJC4 showcases our innovative research capabilities. Not settling on performing routine or traditional antibody screening, we set a specific goal to identify and select a unique CD47 antibody that is free from binding to red blood cells (RBC) among all CD47 antibody leads that naturally bind to RBCs. As a result, we selected by design, our proprietary CD47 antibody (TJC4), a rare epitope that uniquely spares binding to RBCs as a differentiation point from other CD47 antibodies that typically cause inherent hematologic side effects. Having confirmed the RBC-sparing property in a series of in vitro assays as well as multiple monkey studies, we are conducting a Phase 1 clinical trial for TJC4 in the United States.

Another example of our R&D capability relates to our novel bi-specific antibody panel that represents a new wave of oncology drug candidates. We created novel biological properties of these bi-specific antibodies that are capable of enriching immune cells in tumors through dual targeting of PD-L1 and immune cells for a synergistic anti-tumor effect. These bi-specific drug candidates have been shown to exhibit unique properties that render tumors more responsive to treatment. Our discovery expertise, when combined with our "fit-for-purpose" antibody engineering technology platforms, becomes a powerful engine of innovation to create novel molecules.

Our Fit-for-Purpose Technology Platforms

Our proprietary antibody engineering platforms enable us to accurately capture the biological properties of bi-specific antibodies and retain good manufacturability and druggability of the molecules. To date, we have created seven novel pre-clinical stage bi-specific drug molecules. In addition to our own Ig-scFv bi-specific

antibody platform, we partnered with ABL Bio and WuXi Biologics to access their antibody engineering platforms in order to increase the probability of success, as different molecular configurations require different technologies. Furthermore, our proprietary antibody-cytokine technology has enabled another form of bi-specific antibodies such as TJ-L1I7 and TJ-C4GM that link a tumor-engaging antibody with an immuno-modulatory cytokine. Superior to monoclonal antibodies or cytokines alone, this class of bi-specific antibodies has demonstrated unique properties capable of concentrating the drug molecules in tumors for a desired target effect with reduced systemic toxicity of cytokines or creating biologic synergy that can potentially translate into better treatment outcome.

Our Biomarker-Enabled Translational Medicine Capabilities

As we focus on developing innovative drug molecules, the ability to apply relevant biomarkers that link a drug response to treatment effects is critical for early-stage clinical trials of our investigational drugs. This translational medicine capability requires cross-functional knowledge and unique skills to link the target biology of an investigational drug to clinical responses. We have been developing tailor-made biomarkers for each of our investigational drugs, which are used to select potential responders, predict and measure target engagement, support dose determination and enable timely informed decisions on advancing our assets to the next phase of clinical development. For example, for the development of TJD5, we intend to use CD73 in tumor tissue in combination with other tumor biomarkers to stratify potential target patient populations in our clinical trial. To that end, we have developed assays to measure CD73 expression and activity in tumor tissues. Furthermore, we have developed specialized assays to measure TJD5 drug concentrations in tumor tissues. By linking drug concentration with its activity in the same tumor location, these data help us determine appropriate dose selection for further clinical studies.

Our Clinical Development Capabilities

Our clinical development capabilities are highlighted by a global team of clinical scientists, industry physicians, data management specialists, biostatisticians, clinical operation staff and drug safety experts. Our clinical team accounts for approximately 80% of our entire R&D organization's headcount and 80% of our budget allocation. The skillset of our clinical development team is highlighted by a combination of extensive global pharma experience, local drug development and operational experience with clinical networks in China and the United States. The team is driven by high ethical standards, clinical science and passion for improving the lives of patients.

Our clinical development capabilities are also highlighted by our ability to integrate internal core development functions, which encompass regulatory affairs, translational medicine, clinical research and operations, data management, biostatistics, clinical safety and pharmacovigilance, portfolio and project management, and global drug supplies. We also effectively leverage external resources, including clinical contract research organizations, academic clinical centers and/or networks, and global pharmaceutical or biotech partnerships. Furthermore, we have established and implemented a robust internal clinical governance system to safeguard patient safety and data reporting. Our current clinical development capabilities are strategically based in Shanghai, Beijing, and the United States to cover Phase 1 through Phase 3 clinical trials in China and early-stage clinical trials in the United States.

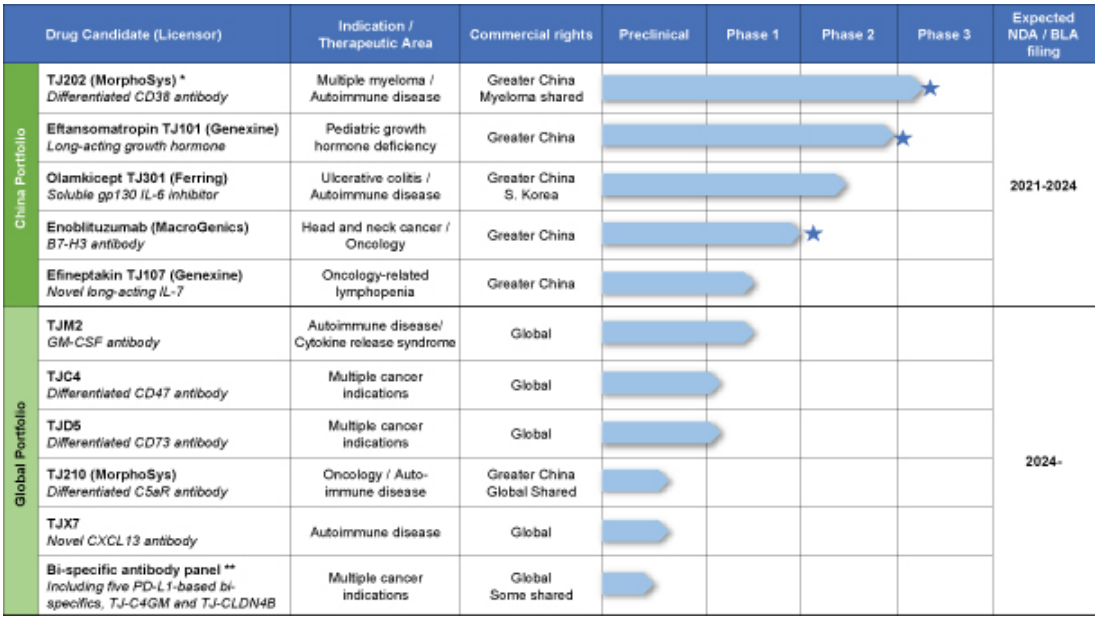
Our clinical development capabilities are best demonstrated by our rapid implementation of seven ongoing clinical trials, including four Phase 1/2 and registrational trials in Greater China and three Phase 1 trials in the United States within the past three years. To ensure regulatory approval and subsequent product launch as currently planned, we strive to reach the following critical clinical milestones by the end of 2020—14 active clinical programs consisting of three Phase 3 or registrational trials in China, three Phase 2 trials in China and eight Phase 1 trials in the United States and China.

Our Global Strategic Collaborations

We have established an excellent track record of in-licensing and out-licensing deals with our global and regional partners. These in-licensing deals enable us to acquire multiple innovative clinical stage assets with favorable clinical data packages. We have quickly built our China Portfolio through in-licensing deals with global biotech partners, including MorphoSys, Genexine, MacroGenics and Ferring. Over the past three years, we have established more than 10 global and regional partnerships with reputable pharma or biotech companies. Our partners selected us among many China-based companies with the belief that we are an ideal partner in China given our strength in science and drug development capability, our outstanding track record of execution of rapidly progressing drug development programs in China and the United States and our vision and network to tap into business opportunities and the growing pharmaceutical market in China. For example, MorphoSys, MacroGenics and Genexine all stated that we are an ideal or the best partner in China in their press releases or public announcements. The out-licensing deals enable us to streamline our pipeline and focus our resources on the most valuable assets. In addition, we seek co-development opportunities to share development costs and risks and territorial commercial rights with our partners. In the past two years, we have out-licensed three de-prioritized assets and initiated four co-development programs with partners such as ABL Bio, Everest Medicines and WuXi Biologics. The revenue from out-licensing and co-development deals is expected to continue to grow as our pipeline progresses.

Our Drug Pipeline

The chart below summarizes the development status of our drug pipeline.



Notes:

- (i) TJ202 has two ongoing registrational trials, a monotherapy trial and a combination therapy trial in relapsed or refractory multiple myeloma in Greater China, and we will soon initiate a Phase 1b trial in systemic lupus erythematosus ("SLE"); (ii) for TJ101, we expect to submit an IND for a Phase 3 registrational trial in China by early 2020; and (iii) for enoblituzumab, we expect to initiate either a registrational trial (pending the NMPA's regulatory approval) or a Phase 2 trial by the end of 2020.

* We are collaborating with Everest Medicines Limited ("Everest") to co-develop and commercialize TJ202 in Greater China for all indications in hematologic oncology. Everest is primarily responsible for sharing with us, by the proportion of 75% for Everest and 25%

for us, the development costs of TJ202. We and Everest will share TJ202's profit and loss in proportion to the costs that each of us incur in developing the product. We and Everest will also split out-license revenue according to the proportion of development costs incurred, with us getting an additional 5% share and Everest receiving 5% less.

** Our bi-specific antibody panel consists of (i) five PD-L1-based bi-specific antibodies, including TJ-L1C4 (PD-L1 and CD47), TJ-L1D5 (PD-L1 and CD73), TJ-L1H3 (PD-L1 and B7-H3), TJ-L14B (PD-L1 and 4-1BB) and TJ-L1I7 (anti-PD-L1 and IL-7 cytokine fusion), (ii) TJ-C4GM (anti-CD47 and GM-CSF cytokine fusion), and (iii) TJ-CLDN4B (Claudin 18.2 and 4-1BB).

Highlights of Our Fast-to-Market China Portfolio

Our fast-to-market China strategy is demonstrated by our China Portfolio, which consists of first-in-class or highly differentiated investigational drugs. TJ202, TJ107, enoblituzumab and TJ101 are the four anchor assets in our China Portfolio. While we have been diligently pursuing our fast-to-market China strategy, we are aware that there is no assurance that we will always be successful in commercializing any of our product candidates in our China Portfolio in an accelerated manner. See "Risk Factors" for a detailed description of the risks related to the development and commercialization of our drug candidates.

TJ202 is a differentiated CD38 antibody originally developed by MorphoSys that meets the pre-set clinical safety and preliminary efficacy endpoints from a clinical trial conducted in the European Union (EU). In-licensed from MorphoSys, TJ202 is being developed to address the current unmet needs and commercial opportunities in China for multiple myeloma and potentially autoimmune diseases, such as SLE. We own an exclusive license to develop TJ202 in Greater China. We believe TJ202, if approved, is potentially highly differentiated compared with the currently marketed CD38 antibody. First, under a similar pre-medication condition with dexamethasone, anti-pyretics and anti-histamines, TJ202 has demonstrated a significantly shorter infusion time and lower infusion reaction rate. Second, unlike the currently marketed CD38 antibody, TJ202 does not down-regulate CD38 expression on the surface of bone marrow myeloma cells in vitro, maintaining sensitivity of myeloma cells to TJ202 for repeated treatments. We have entered into a collaboration arrangement with Everest, under which we and Everest will share development costs and commercial rights of TJ202 in multiple myeloma in Greater China, while we retain full rights for all other indications. TJ202 is undergoing a Phase 2 registrational trial as a third-line monotherapy and a Phase 3 trial in combination with lenalidomide as a second-line therapy, both in patients with relapsed/refractory multiple myeloma in Greater China. We aim to submit an NDA for TJ202 as a monotherapy in 2021, followed by another NDA submission for TJ202 as a combination therapy. Moreover, we believe TJ202 has great market potential in the treatment of pathogenic antibody-mediated autoimmune diseases, such as SLE, where there is a significant unmet need for more effective therapies. An IND application for a trial in SLE is expected to be submitted in the fourth quarter of 2019.

TJ107 is a long-acting IL-7 known to boost cancer-fighting T lymphocytes by increasing their number and function and is being developed as a potential first-in-class oncology investigational drug. The clinical safety and effect of TJ107 on T cells have been investigated in multiple previous and ongoing clinical trials in South Korea and the United States. TJ107 is being positioned to address a huge unmet medical need in oncology. First, TJ107 can be an oncology-care agent to treat cancer treatment-related lymphopenia (low blood lymphocyte levels), a common condition that occurs in cancer patients who have received chemotherapy or radiation therapy, and there is no approved treatment for this condition. According to the Frost & Sullivan Report, in Greater China, the incidence of lymphopenia reached 1.5 million in 2018 and is estimated to increase to 1.7 million in 2023 and further to 2.0 million in 2030. This condition causes further damage to patients' already compromised immune system and weakens its ability to fight cancers. Second, TJ107 has been shown to synergize with a PD-1 antibody in a tumor animal model potentially through increased T lymphocyte activation and proliferation. We are conducting a Phase 1b trial in China to determine a suitable dose range for subsequent trials. We expect to start a Phase 2 trial in glioblastoma multiforme patients with lymphopenia in the second half of 2020. We are coordinating our study globally with Genexine, which is conducting a Phase 2 clinical trial in South Korea and parallel clinical trials in the United States towards clinical PoC.

Enoblituzumab is a humanized antibody directed at B7-H3, a member of the B7 family of T cell checkpoint regulators that is widely expressed across multiple tumor types and plays a key role in the regulation of immune response against cancers. Similar to other inhibitors of the B7 family such as PD-L1, targeting B7-H3 potentially provides a treatment option for a variety of cancers expressing B7-H3. Enoblituzumab was originally developed by MacroGenics, and we own the Greater China rights of this product. In multiple clinical trials conducted by MacroGenics, when combined with pembrolizumab in recurrent or metastatic squamous cell carcinoma of the head and neck ("SCCHN") and non-small cell lung cancer ("NSCLC"), enoblituzumab has shown favorable clinical results that warrant further investigation. We plan to conduct a registrational trial (if approved by the NMPA) in China in patients with recurrent or metastatic SCCHN by the end of 2020. Further clinical development is being planned together with MacroGenics to extend to other cancer indications in China and globally.

TJ101, if approved, is a potential highly differentiated long-acting human growth hormone that is being developed as a weekly treatment for pediatric growth hormone deficiency as compared to currently available daily regimens of recombinant human growth hormone (rhGH). TJ101 was originally developed by Genexine, and we own the Greater China rights of this product, which has the potential to address an important clinical need and to cover a significant market gap in pediatric growth hormone deficiency. According to the Frost & Sullivan Report, there are approximately 3.4 million pediatric patients with growth hormone deficiency in 2018 in Greater China, but only 3.7% of them receive growth hormone therapies, which are mostly daily regimens. In a previous Phase 2 trial conducted by Genexine in South Korea and the EU, both weekly and bi-weekly administration of TJ101 demonstrated similar therapeutic effects to daily injection of Genotropin, a short-acting rhGH. We expect to submit an IND for a Phase 3 registrational trial in China by early 2020.

Highlights of Our Fast-to-PoC Global Portfolio

Our fast-to-PoC global strategy is demonstrated by our Global Portfolio, which mainly consists of our internally developed novel or differentiated biologics. Our Global Portfolio focuses on two molecular classes—monoclonal antibodies and bi-specific antibodies. While we have been diligently pursuing our fast-to-PoC global strategy, we are aware that there is no assurance that we will always be successful in achieving PoC or pivotal development milestones for any of our product candidates in our Global Portfolio in an accelerated manner. See "Risk Factors" for a detailed description of the risks related to the development and commercialization of our drug candidates.

Monoclonal antibodies—Among the five monoclonal antibody drug candidates, TJM2, TJC4 and TJD5 are undergoing Phase 1 clinical trials in the United States. TJ210 and TJX7 are at the CMC stage and are expected to be ready for IND submissions and subsequent Phase 1 clinical trials in 2020 in the United States.

TJC4 is an internally discovered, fully human monoclonal antibody targeting CD47, which is one of the most promising immuno-oncology targets after PD-1/PD-L1. Blocking CD47 activates tumor-engulfing macrophages, a component of the innate immune system as an important cancer-fighting mechanism. CD47 antibodies are being actively pursued in clinical trials by a few global companies. However, current development efforts on CD47 antibody drugs are hampered by hematologic side effects (such as anemia) due to their inherent binding to human RBCs. For example, at least two clinical trials conducted by other companies have been suspended. Unlike competitor investigational drugs, TJC4 is a rare antibody originally selected, by design, to purposefully avoid or minimize inherent binding to RBCs while maintaining a high antibody affinity and tumor killing properties. TJC4's unique property of minimal RBC binding and no significant hematologic changes has been extensively validated in a whole series of robust in vitro assays and primate studies. In a GLP toxicology study involving 40 monkeys, no hematologic side-effects were seen even with repeated injections of 100 mg/kg doses. This unique property may enable TJC4 to be used safely at higher doses to explore its treatment potential in cancers, differentiating it from other clinical stage CD47 investigational antibody drugs. TJC4 is being

evaluated in a Phase 1 clinical trial with cancer patients in the United States, and no anemia has been observed in the first cohort of patients so far. In parallel, leveraging the Phase 1 data generated in the United States, we plan to begin a Phase 1 clinical trial of TJC4 in AML patients by the end of 2019 in China, followed by a separate clinical trial in NHL patients in China.

Bi-specific antibody panel—This novel antibody class represents an emerging and fast-moving area of new drug discovery. Bi-specific antibodies are typically constructed to have a dual specificity of two selected antibodies or combined properties of an antibody linked with a cytokine, previously called an immuno-cytokine. According to the Frost & Sullivan Report, checkpoint inhibitors targeting PD-1/PD-L1 had global sales of US$16.3 billion in 2018 and are predicted to reach US$63.4 billion in global sales by 2030. However, despite the recent success of checkpoint inhibitors, clinical efficacy of these drugs has been unsatisfactory. It is estimated that over 60% of cancer patients, including those with melanoma, renal cell cancer, colorectal cancer, non-small cell lung cancer, urothelial cancer and head and neck squamous cell carcinoma, do not respond to PD-1/PD-L1 monotherapies. In addition, some patients develop resistance after initial treatment with these therapies. As a result, the standard of care today leaves many cancer patients underserved. There is consensus among cancer immunologists that tumors that do not respond to PD-1/PD-L1 treatment have poor immunologic features, such as an absence or paucity of tumor-fighting immune cells or the presence of dysfunctional immune cells within the tumors, collectively known as “cold tumors.” We believe that PD-1/PD-L1 non-responders can be better treated with novel bi-specific antibodies. The unique and superior properties of these bi-specific antibodies over PD-L1 inhibitors alone stem from a second targeting component attached to the PD-L1 antibody moiety of the bi-specific molecules, thereby enabling them to elicit a sufficient immune response and converting a “cold tumor” to an immune-active “hot tumor.” Such unique properties of bi-specific antibodies cannot be substituted by a combination of the PD-L1 antibody with a selected second component (either cytokine or antibody) in a free form. The underlying mechanism is such that the second component must be structurally integrated with the tumor-engaging PD-L1 antibody in order to concentrate and function inside the tumor, which cannot be readily achieved by the two free agents used in combination.

We have successfully generated a panel of five bi-specific antibodies in which our proprietary PD-L1 antibody acts as the backbone (the first signal) and is linked with various second components (the second signal) including a 4-1BB agonist antibody (TJ-L14B), a B7-H3 antibody (TJ-L1H3), a CD73 antibody (TJ-L1D5), a CD47 antibody (TJ-L1C4) and an IL-7 cytokine (TJ-L1I7), which are shown to work synergistically with the PD-L1 backbone in various assays and cancer animal models. This unique panel of bi-specific antibodies is only made possible by our proprietary and partnered antibody engineering technologies and the availability of our proprietary monoclonal antibodies. Furthermore, we have generated two other bi-specific antibodies (TJ-C4GM and TJ-CLDN4B) that are tailor-made to function as novel fortified antibodies by linking TJC4 with an engineered GM-CSF cytokine for the treatment of solid tumors and by linking our Claudin-18.2 antibody with a 4-1BB antibody as a unique gastric cancer treatment agent that only activates T cells conditionally upon tumor engagement. All bi-specific antibodies have been validated in a series of robust *in vitro* and *in vivo* studies for biology proof-of-concept, providing a solid basis for clinical validation in cancer patients.

Our Strategies

We plan to achieve our goal by pursuing the following strategies:

- Rapidly advance our China Portfolio towards commercialization.
- Expand our research and development capabilities and footprint in the United States to advance our Global Portfolio.
- Build our manufacturing capabilities.
- Maximize the value of our pipeline.

Our Challenges

Investing in our ADSs involves risks. If any of these risks actually occurs, our business, financial condition or results of operations would likely be materially adversely affected. In such case, the trading price of our ADSs would likely decline, and you may lose all or part of your investment. The following is a summary of some of the principal risks that we face:

- We have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.
- We recorded net cash outflow from operating activities since our inception. We may need to obtain additional financing to fund our operations, and if we are unable to obtain such financing, we may be unable to complete the development and commercialization of our major drug candidates.
- We depend substantially on the success of our investigational drugs and drug candidates, all of which are in clinical or pre-clinical development, respectively, and our ability to identify additional investigational drugs and drug candidates. If we are unable to successfully identify new investigational drugs or drug candidates, complete clinical development, obtain regulatory approval and commercialize them, or experience significant delays in doing so, our business will be materially harmed.
- We may not be able to identify, discover or in-license new drug candidates, and may allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable, or for which there is a greater likelihood of success.
- Even if we receive regulatory approval for our drug candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expenses and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our drug candidates.
- Our drug candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.
- As we rely on third parties to conduct our pre-clinical studies and clinical trials, if we lose our relationships with these third parties or if they do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug candidates and our business could be substantially harmed.
- If we are unable to obtain and maintain patent and other intellectual property protection for our drug candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize any product or technology may be adversely affected.
- Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.

Please see “Risk Factors,” “Special Note Regarding Forward-Looking Statements” and other information included in this prospectus for a discussion of these and other risks and uncertainties that we face.

Corporate History and Structure

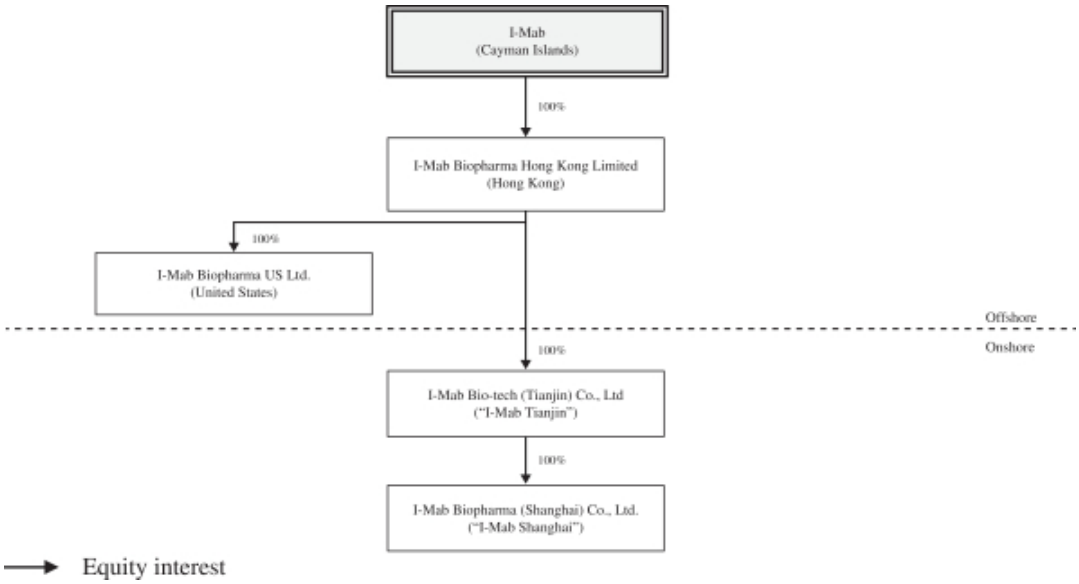
We commenced our operations in November 2014, when our predecessor Third Venture Biopharma (Nanjing) Co., Ltd (“Third Venture”) was established.

I-Mab was established in June 2016 under the laws of the Cayman Islands as our offshore holding company. In July 2016, I-Mab established I-Mab Biopharma Hong Kong Limited ("I-Mab Hong Kong"), as its intermediary holding company. In August 2016, I-Mab Hong Kong established a wholly-owned PRC subsidiary, I-Mab Biopharma (Shanghai) Co., Ltd. ("I-Mab Shanghai"). In September 2016, the assets and operations of Third Venture were consolidated into I-Mab Shanghai.

In July 2017, I-Mab Hong Kong acquired a controlling interest in I-Mab Bio-tech (Tianjin) Co., Ltd. ("I-Mab Tianjin"), formerly known as Tasgen Bio-tech (Tianjin) Co., Ltd., a company focused on CMC management of biologics in China. Through an internal corporate restructuring, I-Mab Tianjin became the 100% owner of I-Mab Shanghai in September 2017 and I-Mab Hong Kong acquired the remaining interest in I-Mab Tianjin in May 2018, becoming the 100% owner of I-Mab Tianjin.

In February 2018, I-Mab Hong Kong established in Maryland, United States, a wholly-owned subsidiary I-Mab Biopharma US Limited ("I-Mab US"), as the hub for the discovery and development of the drug candidates in our Global Portfolio.

The following diagram illustrates our corporate structure, including our principal subsidiaries, as of the date of this prospectus:



Implication of Being an Emerging Growth Company

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an "emerging growth company" pursuant to the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"). An emerging growth company may take advantage of specified reduced reporting and other requirements compared to those that are otherwise applicable generally to public companies. These provisions include an exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or

revised accounting standards. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We will remain an emerging growth company until the earliest of (a) the last day of the fiscal year during which we have total annual gross revenues of at least US$1.07 billion; (b) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (c) the date on which we have, during the preceding three-year period, issued more than US$1.0 billion in non-convertible debt; or (d) the date on which we are deemed to be a "large accelerated filer" under the United States Securities Exchange Act of 1934, as amended, (the "Exchange Act"), which would occur if the market value of our ADSs that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

Corporate Information

Our principal executive offices are located at Suite 802, West Tower, OmniVision, 88 Shangke Road, Pudong District, Shanghai, People's Republic of China. Our telephone number at this address is +86 21-6057-8000. Our registered office in the Cayman Islands is located at Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. Our agent for service of process in the United States is , located at .

Investors should submit any inquiries to the address or through the telephone number of our principal executive offices. Our main website is http://www.i-mabbiopharma.com/en/. The information contained on our website is not a part of this prospectus.

Conventions that Apply to this Prospectus

Unless otherwise indicated or the context otherwise requires, and for purposes of this prospectus only:

- "ADRs" refer to the American depositary receipts that evidence our ADSs;
- "ADSs" refer to our American depositary shares, each of which represents ordinary shares;
- "China" or "the PRC" refers to the People's Republic of China, excluding, for the purposes of this prospectus only, Hong Kong, Macau and Taiwan, and "Greater China" does not exclude Hong Kong, Macau and Taiwan;
- "China Portfolio" refers to our investigational drugs of which we in-license Greater China rights from reputable global biopharmaceutical companies and rely on our own research and development capabilities to advance into pivotal clinical trials and commercialize in Greater China with an aim for near-term product launch;
- "Global Portfolio" refers to our own proprietary novel or differentiated drug candidates that we are advancing towards clinical validation in the United States;
- "I-Mab," "we," "us," "our company" and "our" refer to I-Mab, a Cayman Islands exempted company, and its subsidiaries;
- "RMB" refers to the legal currency of China;
- "shares" or "ordinary shares" refer to our ordinary shares, par value US$0.0001 per share; and
- "US$," "U.S. dollars," "$," and "dollars" refer to the legal currency of the United States.

Unless the context indicates otherwise, all information in this prospectus assumes no exercise by the underwriters of their option to purchase additional ADSs.

Our reporting currency is RMB. This prospectus also contains translations of certain foreign currency amounts into U.S. dollars for the convenience of the reader. Unless otherwise stated, all translations from RMB to U.S. dollars were made at a rate of RMB6.8650 to US$1.00, the exchange rate in effect as of June 28, 2019 as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. We make no representation that any RMB or U.S. dollar amounts referred to in this prospectus could have been or could be converted into U.S. dollars or RMB, as the case may be, at any particular rate, or at all. On August 30, 2019, the noon buying rate for RMB was RMB7.1543 to US$1.00.

THE OFFERING	
Offering price	We currently estimate that the initial public offering price will be between US$ and US$ per ADS.
ADSs offered by us	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
ADSs outstanding immediately after this offering	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
Ordinary shares issued and outstanding immediately after this offering	(or ordinary shares if the underwriters exercise their option to purchase additional ADSs in full). This number assumes the conversion, on a one-for-one basis, of all of our outstanding preferred shares into our ordinary shares immediately upon the completion of this offering.
The ADSs	Each ADS represents ordinary shares, par value US$0.0001 per share. The depositary will hold ordinary shares underlying your ADSs. You will have rights as provided in the deposit agreement among us, the depositary and holders and beneficial owners of ADSs from time to time. We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our ordinary shares after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement. You may surrender your ADSs to the depositary in exchange for ordinary shares. The depositary will charge you fees for any such exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. To better understand the terms of the ADSs, you should carefully read the “Description of American Depositary Shares” section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Option to purchase additional shares	We have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to an additional ADSs.

Use of proceeds	We expect that we will receive net proceeds of approximately US$ million from this offering, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, assuming an initial public offering price of US$ per ADS, which is the midpoint of the estimated range of the initial public offering price, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to (i) research and development of our existing and future drug candidates, (ii) potential investments in the establishment of our own manufacturing capacities and building research facilities in the United States, and (iii) general corporate purposes. See “Use of Proceeds” for more information.
Lock-up	[We, our directors and executive officers, our current shareholders [and certain of our option holders] have agreed with the underwriters not to sell, transfer or otherwise dispose of any ADSs, ordinary shares or similar securities for a period of [180] days after the date of this prospectus, subject to certain exceptions. In addition, we will not authorize or permit , as depositary, to accept any deposit of any ordinary shares or issue any ADSs for 180 days after the date of this prospectus unless we expressly consent to such deposit or issuance and we have agreed not to provide such consent without the prior written consent of the representatives on behalf of the underwriters. The foregoing does not affect the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares. See “Shares Eligible for Future Sales” and “Underwriting.”]
[Directed ADS Program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of ADSs offered in this offering to some of our directors, officers, employees, business associates and related persons through a directed ADS program.]
Listing	We intend to apply to have the ADSs listed on [the Nasdaq Global Market] under the symbol “IMAB.” Our ADSs and shares will not be listed on any other stock exchange or traded on any automated quotation system.
Payment and settlement	The underwriters expect to deliver the ADSs against payment therefor through the facilities of The Depository Trust Company on , 2019.
Depositary	

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated statements of comprehensive loss data for the years ended December 31, 2017 and 2018, summary consolidated statements of balance sheet data as of December 31, 2017 and 2018 and summary consolidated statements of cash flow data for the years ended December 31, 2017 and 2018 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated statements of comprehensive loss data for the six months ended June 30, 2018 and 2019, summary consolidated balance sheet data as of June 30, 2019 and summary consolidated statements of cash flow data for the six months ended June 30, 2018 and 2019 are derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Our historical results are not necessarily indicative of results expected for future periods. You should read this Summary Consolidated Financial Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for share and per share data)					
Summary Consolidated Statements of Comprehensive Loss Data:						
Revenues						
Licensing and collaboration revenue	11,556	53,781	7,834	21,377	15,000	2,185
Expenses						
Research and development expenses(1)	(267,075)	(426,028)	(62,058)	(202,693)	(265,084)	(38,614)
Administrative expenses(1)	(25,436)	(66,391)	(9,671)	(18,687)	(574,584)	(83,698)
Loss from operations	(280,955)	(438,638)	(63,895)	(200,003)	(824,668)	(120,127)
Interest income	858	4,597	670	980	12,818	1,867
Interest expense	(5,643)	(11,695)	1,704	(9,097)	(1,936)	(282)
Other income (expenses), net	1,527	(16,780)	(2,444)	(21,594)	303	44
Fair value change of warrants	(14,027)	61,405	8,945	62,994	(43,854)	(6,388)
Loss before income tax expense	(298,240)	(401,111)	(58,428)	(166,720)	(857,337)	(124,886)
Income tax expense	—	(1,722)	(251)	—	—	—
Net loss attributable to I-Mab	(298,240)	(402,833)	(58,679)	(166,720)	(857,337)	(124,886)
Other comprehensive income						
Foreign currency translation adjustments, net of nil tax	5,918	53,689	7,821	(7,446)	(4,972)	(724)
Total comprehensive loss attributable to I-Mab	**(292,322)**	**(349,144)**	**(50,859)**	**(174,166)**	**(862,309)**	**(125,610)**
Net loss attributable to ordinary shareholders	(298,240)	(402,833)	(58,679)	(166,720)	(857,337)	(124,886)
Weighted-average number of ordinary shares used in calculating net loss per shares						
Basic and diluted	5,742,669	6,529,092	6,529,092	6,397,663	7,184,086	7,184,086
Net loss per share attributable to ordinary shareholders						
Basic	(51.93)	(61.70)	(8.99)	(26.06)	(119.34)	(17.38)
Diluted	(51.93)	(61.70)	(8.99)	(26.06)	(119.34)	(17.38)

Note:
(1) Share-based compensation expenses were allocated as follows:

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Research and development expenses	2,112	1,056	154	579	308	45
Administrative expenses*	4,927	2,464	359	1,350	366,048	53,321
Total	**7,039**	**3,520**	**513**	**1,929**	**366,356**	**53,366**

* The above share-based compensation expenses do not include the expenses arising from the repurchase of share awards held by a director of our company during the six months ended June 30, 2019. See Note 17 (d) to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for more details.

The following table presents our summary consolidated balance sheet data as of December 31, 2017 and 2018 and June 30, 2019:

	As of December 31,			As of June 30,	
	2017	2018		2019	
	RMB	RMB	US$	RMB	US$
	(in thousands)				
Summary Consolidated Statements of Balance Sheet Data:					
Current assets:					
Cash and cash equivalents	307,930	1,588,278	231,359	1,269,054	184,859
Restricted cash	104,783	92,653	13,496	147,806	21,530
Contract assets	—	11,000	1,602	11,000	1,602
Prepayments and other receivables	12,633	88,972	12,960	96,139	14,004
Other financial assets	266,245	255,958	37,284	80,420	11,714
Total current assets	691,591	2,036,861	296,702	1,604,419	233,709
Property, equipment and software	22,336	27,659	4,029	25,118	3,659
Operating lease right-of-use assets	—	—	—	14,383	2,095
Intangible assets	148,844	148,844	21,682	148,844	21,682
Goodwill	162,574	162,574	23,682	162,574	23,682
Total assets	**1,025,345**	**2,375,938**	**346,094**	**1,955,338**	**284,827**
Total liabilities	**309,151**	**415,684**	**60,551**	**491,037**	**71,528**
Total mezzanine equity	**1,015,989**	**2,915,358**	**424,670**	**2,915,358**	**424,670**
Shareholders' equity (deficit)					
Ordinary shares (US$0.0001 par value, 500,000,000 shares authorized as of December 31, 2018 and June 30, 2019, 8,363,719 and 8,363,719 shares authorized, issued and outstanding as of December 31, 2018 and June 30, 2019, respectively)	6	6	1	6	1
Treasury stock	(1)	(1)	(0)	(1)	(0)
Additional paid-in capital	52,369	—	—	366,356	53,366
Accumulated other comprehensive income	5,691	59,380	8,650	54,408	7,925
Accumulated deficit	(357,860)	(1,014,489)	(147,777)	(1,871,826)	(272,663)
Total shareholders' equity (deficit)	**(299,795)**	**(955,104)**	**(139,127)**	**(1,451,057)**	**(211,371)**
Total liabilities, mezzanine equity and shareholders' equity (deficit)	**1,025,345**	**2,375,938**	**346,094**	**1,955,338**	**284,827**

The following table presents our summary consolidated statements of cash flow data for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2018 and 2019:

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Summary Consolidated Statements of Cash Flow Data:						
Net cash used in operating activities	(252,157)	(280,705)	(40,889)	(63,653)	(389,034)	(56,669)
Net cash (used in) generated from investing activities	(157,665)	9,500	1,384	14,400	158,056	23,024
Net cash (used in) generated from financing activities	758,585	1,479,669	215,538	150,116	(30,000)	(4,370)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(132)	59,754	8,704	(8,737)	(3,093)	(451)
Net increase in cash, cash equivalents and restricted cash	348,631	1,268,218	184,737	92,126	(264,071)	(38,466)
Cash, cash equivalents and restricted cash, beginning of the year/period	64,082	412,713	60,118	412,713	1,680,931	244,855
Cash, cash equivalents and restricted cash, end of the year/period	412,713	1,680,931	244,855	504,839	1,416,860	206,389

RISK FACTORS

An investment in our ADSs involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our ADSs. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our ADSs could decline, and you may lose all or part of your investment.

Risks Related to Our Financial Position and Need for Additional Capital

We have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We are a clinical stage biopharmaceutical company with a limited operating history. Our operations to date have focused on organizing and staffing our operations, business planning, raising capital, establishing our intellectual property portfolio and conducting pre-clinical and clinical trials of our drug candidates. We have not yet demonstrated an ability to successfully manufacture, obtain marketing approvals for or commercialize our drug candidates. We have no products approved for commercial sale and have not generated any revenue from product sales. Consequently, any predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history.

We are focused on the discovery and development of innovative drugs for the treatment of various immuno-oncological and immuno-inflammatory diseases. Our limited operating history, particularly in light of the rapidly evolving drug research and development industry in which we operate and the changing regulatory and market environments we encounter, may make it difficult to evaluate our prospects for future performance. As a result, any assessment of our future performance or viability is subject to significant uncertainty. We will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields as we seek to transition to a company capable of supporting commercial activities. If we do not address these risks and difficulties successfully, our business will suffer.

We have incurred net losses in each period since our inception and anticipate that we will continue to incur net losses for the foreseeable future.

Investment in the development of biopharmaceutical products is highly speculative as it entails substantial upfront capital expenditures and significant risks that a drug candidate may fail to demonstrate efficacy and/or safety to gain regulatory or marketing approvals or become commercially viable. To date, we have financed our activities primarily through private placements. While we have generated revenue from licensing and collaboration deals, we have not generated any revenue from commercial product sales to date, and we continue to incur significant research and development expenses and other expenses related to our ongoing operations. As a result, we are not profitable and have incurred net losses in each period since our inception. In 2017, 2018 and the six months ended June 30, 2019, our net loss was RMB298.2 million, RMB402.8 million (US$58.7 million) and RMB857.3 million (US$124.9 million), respectively. Substantially all of our net losses have resulted from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations.

We expect to continue to incur net losses in the foreseeable future, and that these net losses will increase as we carry out certain activities relating to our development, including, but not limited to, the following:

- conducting clinical trials of our drug candidates;
- manufacturing clinical trial materials through contract manufacturing organizations, or CMOs, in and out of China;
- seeking regulatory approvals for our drug candidates;

- commercializing our drug candidates for which we have obtained marketing approval;
- completing the construction of and maintaining our manufacturing facilities;
- hiring additional clinical, operational, financial, quality control and scientific personnel;
- establishing a sales, marketing and commercialization team for any future products that have obtained regulatory approval;
- seeking to identify additional drug candidates;
- obtaining, maintaining, expanding and protecting our intellectual property portfolio;
- enforcing and defending any intellectual property-related claims; and
- acquiring or in-licensing other drug candidates, intellectual property and technologies.

Typically, it takes many years to develop one new drug from the time it is discovered to when it becomes available for treating patients. During the process, we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend partially on the rate of the future growth of our expenses, our ability to generate revenues and the timing and amount of milestone payments and other payments that we receive from or pay to third parties. If any of our drug candidates fails during clinical trials or does not gain regulatory approval, or, even if approved, fails to achieve market acceptance, our business may not become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods thereafter. Our prior losses and expected future losses have had, and will continue to have, an adverse effect on our working capital and shareholders' equity.

We recorded net cash outflow from operating activities since our inception. Even if we consummate this offering, we may need to obtain additional financing to fund our operations. If we are unable to obtain such financing, we may be unable to complete the development and commercialization of our major drug candidates.

Since our inception, our operations have consumed substantial amounts of cash. We had raised in excess of US$400 million in pre-IPO financing in the past three years. We spent RMB252.2 million, RMB280.7 million (US$40.9 million) and RMB389.0 million (US$56.7 million) in net cash to finance our operations in 2017, 2018 and the six months ended June 30, 2019, respectively.

We expect our expenses to increase significantly in connection with our ongoing activities, particularly as we advance the clinical development of our clinical-stage drug candidates, continue the research and development of our pre-clinical stage drug candidates and initiate additional clinical trials of, and seek regulatory approval for, these and other future drug candidates.

In addition, if we obtain regulatory approvals for any of our drug candidates, we expect to incur significant commercialization expenses relating to product manufacturing, marketing, sales and distribution and post-approval commitments to continue monitoring the efficacy and safety data of our future products on the market. In particular, costs that may be required for the manufacture of any drug candidate that has received regulatory approval may be substantial as we may need to modify or increase our production capacity in the future at manufacturing facilities. We may also incur expenses as we create additional infrastructure to support our operations as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations through public or private equity offerings, debt financing, collaborations or licensing arrangements or other sources. If we are unable to raise capital when needed or on acceptable terms, we could be forced to delay, limit, reduce or terminate our research and development programs or any future commercialization efforts.

Raising additional capital may cause dilution to the interests to the holders of our ADSs and our shareholders, restrict our operations or require us to relinquish rights to our technologies or drug candidates.

We may seek additional funding through a combination of equity offerings, debt financings, collaborations, licensing arrangements, strategic alliances or partnerships and government grants or subsidies. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of our ADSs. The incurrence of additional indebtedness or the issuance of certain equity securities could give rise to increased fixed payment obligations and also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, the issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our ADSs to decline.

In the event we enter into collaborations or licensing arrangements in order to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to a third party our rights to technologies or drug candidates on unfavorable terms, which we would have otherwise sought to develop or commercialize on our own or reserve for future potential arrangements when we are more likely to achieve more favorable terms.

Risks Related to Clinical Development of Our Drug Candidates

Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. While our exclusive focus is to develop drug candidates with potential to become first-in-class or best-in-class drugs in China and globally, we cannot guarantee that we are able to achieve this for each of our drug candidates. Failure can occur at any time during the clinical development process. The results of pre-clinical studies and early clinical trials of our drug candidates may not be predictive of the results of later-stage clinical trials. Drug candidates during later stages of clinical trials may fail to show the desired results in safety and efficacy despite having progressed through pre-clinical studies and initial clinical trials and despite the level of scientific rigor in the study, design and adequacy of execution. In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same drug candidate due to numerous factors, including, but not limited to, differences in individual patient conditions, including genetic differences, and other compounding factors, such as other medications or pre-existing medical conditions.

In the case of any trials we conduct, results may differ from earlier trials due to the larger number of clinical trial sites and additional countries and languages involved in such trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to a lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. We cannot guarantee that our future clinical trial results will be favorable based on currently available clinical and pre-clinical data.

We depend substantially on the success of our drug candidates, all of which are in pre-clinical or clinical development, and our ability to identify additional drug candidates. If we are unable to successfully identify new drug candidates, complete clinical development, obtain regulatory approval and commercialize our drug candidates, or experience significant delays in doing so, our business will be materially harmed.

Our business will depend on the successful development, regulatory approval and commercialization of our drug candidates for the treatment of patients with our targeted indications, all of which are still in pre-clinical or clinical development, and other new drug candidates that we may identify and develop. As of the date of this prospectus, we have obtained IND approvals from the NMPA for three of our drug candidates, TJ301, TJ107 and TJC4. In addition, we have obtained IND approvals from the FDA for three of our drug candidates, TJC4, TJD5

and TJM2; from the Taiwan Food and Drug Administration (the "TFDA") for two of our drug candidates, TJ202 and TJ301; and from the Korea Ministry of Food and Drug Safety (the "MFDS") for TJ301. However, we cannot guarantee that we are able to obtain regulatory approvals for our other existing drug candidates in a timely manner, or at all. In addition, none of our drug candidates has been approved for marketing in China or any other jurisdiction. Each of our drug candidates will require additional pre-clinical and/or clinical development, regulatory approvals in multiple jurisdictions, development of manufacturing supply and capacity, substantial investment and significant marketing efforts before we generate any revenue from product sales.

The success of our drug candidates will depend on several factors, including but not limited to the successful completion of pre-clinical and/or clinical trials or studies, receipt of regulatory approvals from applicable regulatory authorities for planned clinical trials, future clinical trials or drug registrations, establishing adequate manufacturing capabilities and capacities, commercialization of our existing drug candidates, hiring sufficient technical experts to oversee all development and regulatory activities and license renewal and meeting of the safety requirements.

If we do not achieve one or more of these in a timely manner or at all, we could experience significant delays in our ability to obtain approval for our drug candidates, which would materially harm our business and we may not be able to generate sufficient revenues and cash flows to continue our operations. As a result, our financial condition, results of operations and prospects will be materially and adversely harmed.

We may not be able to identify, discover or in-license new drug candidates, and may allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable, or for which there is a greater likelihood of success.

Although a substantial amount of our effort will focus on the continued clinical testing, potential approval, and commercialization of our existing drug candidates, the success of our business depends in part upon our ability to identify, license, discover, develop, or commercialize additional drug candidates. Research programs to identify new drug candidates require substantial technical, financial, and human resources. We may focus our efforts and resources on potential programs or drug candidates that ultimately prove to be unsuccessful. Our research programs or licensing efforts may fail to identify, discover or in-license new drug candidates for clinical development and commercialization for a number of reasons, including, without limitation, the following:

- our research or business development methodology or search criteria and process may be unsuccessful in identifying potential drug candidates;
- our potential drug candidates may be shown to have harmful side effects or may have other characteristics that may make the products unmarketable or unlikely to receive marketing approval; and
- it may take greater human and financial resources to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs than we possess, thereby limiting our ability to diversify and expand our drug portfolio.

Because we have limited financial and managerial resources, we focus on research programs and drug candidates for specific indications. As a result, we may forgo or delay pursuit of opportunities with other drug candidates or for other indications that later may prove to have greater commercial potential or a greater likelihood of success. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities.

Accordingly, there can be no assurance that we will ever be able to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs, which could materially adversely affect our future growth and prospects.

If we encounter delays or difficulties enrolling patients in our clinical trials, our clinical development progress could be delayed or otherwise adversely affected.

We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the NMPA, the FDA, or similar regulatory authorities, or if there are delays in the enrollment of eligible patients as a result of the competitive clinical enrollment environment. The inability to enroll a sufficient number of patients who meet the applicable criteria for our clinical trials would result in significant delays. As of the date of this prospectus, we have initiated clinical trials for TJ301 in South Korea, Taiwan and China, for TJ107 in China, for TJ202 in Taiwan, and for TJM2, TJC4 and TJD5 in the United States. In addition, we expect to initiate clinical trials for TJC4 by the end of 2019 in China.

In addition, some of our competitors have ongoing clinical trials for drug candidates that treat the same indications as our drug candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in the clinical trials of our competitors' drug candidates, which may further delay our clinical trial enrollments.

Patient enrollment for our clinical trials may be affected by other factors, including but not limited to the following:

- severity of the disease under investigation;
- total size and nature of the relevant patient population;
- design and eligibility criteria for the clinical trial in question;
- perceived risks and benefits of the drug candidate under study;
- our resources to facilitate timely enrollment in clinical trials;
- patient referral practices of physicians;
- availability of competing therapies also undergoing clinical trials;
- our investigators' or clinical trial sites' efforts to screen and recruit eligible patients; and
- proximity and availability of clinical trial sites for prospective patients.

Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates.

Before obtaining regulatory approval for the sale of our drug candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. We may experience numerous unexpected events during, or as a result of, clinical trials that could delay or prevent our ability to receive regulatory approval or commercialize our drug candidates, including, without limitation:

- regulators, institutional review boards, or IRBs, or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- our inability to reach agreements on acceptable terms with prospective CROs and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;

- manufacturing issues, including problems with manufacturing, supply quality, compliance with good manufacturing practice, or GMP, or obtaining sufficient quantities of a drug candidate from third parties for use in a clinical trial;
- clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide to conduct additional clinical trials or abandon drug development programs, or regulators may require us to do so;
- the number of patients required for clinical trials of our drug candidates may be larger than we anticipate, enrollment may be insufficient or slower than we anticipate or patients may drop out at a higher rate than we anticipate;
- our third-party contractors, including clinical investigators, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we might have to suspend or terminate clinical trials of our drug candidates for various reasons, including a finding of a lack of clinical response or other unexpected characteristics or a finding that participants are being exposed to unacceptable health risks;
- regulators, IRBs or ethics committees may require that we or our investigators suspend or terminate clinical research or not rely on the results of clinical research for various reasons, including non-compliance with regulatory requirements;
- the cost of clinical trials of our drug candidates may be greater than we anticipate; and
- the supply or quality of our drug candidates, companion diagnostics or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate.

If we are required to conduct additional clinical trials or other testing of our drug candidates beyond those that we currently plan, if we are unable to successfully complete clinical trials of our drug candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if they raise safety concerns, we may (i) be delayed in obtaining regulatory approval for our drug candidates; (ii) obtain approval for indications that are not as broad as intended; (iii) not obtain regulatory approval at all; (iv) have the drug removed from the market after obtaining regulatory approval; (v) be subject to additional post-marketing testing requirements; (vi) be subject to restrictions on how the drug is distributed or used; or (vii) be unable to obtain reimbursement for use of the drug.

Significant clinical trial delays may also increase our development costs and could shorten any periods during which we have the exclusive right to commercialize our drug candidates or allow our competitors to bring drugs to market before we do. This could impair our ability to commercialize our drug candidates and may harm our business and results of operations.

Risks Related to Obtaining Regulatory Approval for Our Drug Candidates

All material aspects of the research, development and commercialization of pharmaceutical products are heavily regulated.

All jurisdictions in which we intend to conduct our pharmaceutical-industry activities regulate these activities in great depth and detail. We intend to focus our activities in the major markets of China and the United States. These jurisdictions strictly regulate the pharmaceutical industry, and in doing so they employ broadly similar regulatory strategies, including regulation of product development and approval, manufacturing, and marketing, sales and distribution of products. However, there are differences in the regulatory regimes that make for a more complex and costly regulatory compliance burden for a company like us that plans to operate in these regions.

The process of obtaining regulatory approvals and compliance with appropriate laws and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable

requirements at any time during the product development process and approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include: refusal to approve pending applications; withdrawal of an approval; license revocation; clinical hold; voluntary or mandatory product recalls; product seizures; total or partial suspension of production or distribution; injunctions; fines; refusals of government contracts; providing restitution; undergoing disgorgement; or other civil or criminal penalties. Failure to comply with these regulations could have a material adverse effect on our business.

The regulatory approval processes of the NMPA, the FDA and other comparable regulatory authorities are time-consuming and may evolve over time, and if we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.

The time required to obtain the approval of the NMPA, the FDA and other comparable regulatory authorities is inherently uncertain and depends on numerous factors, including the substantial discretion of the regulatory authorities. Generally, such approvals take many years to obtain following the commencement of pre-clinical studies and clinical trials, although they are typically provided within 12 to 18 months after clinical trials are completed. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a drug candidate's clinical development and may vary among jurisdictions. As of the date of this prospectus, we have obtained IND approvals from the NMPA for TJ301, TJ107 and TJC4. In addition, we have obtained IND approvals from the FDA for TJC4, TJD5 and TJM2, from the TFDA for TJ202 and TJ301 and from the MFDS for TJ301. However, we cannot guarantee that we are able to obtain regulatory approvals for our other existing drug candidates or any drug candidates we may discover, in-license or acquire and seek to develop in the future.

Our drug candidates could fail to receive the regulatory approval of the NMPA, the FDA or a comparable regulatory authority for many reasons, including, without limitation:

- disagreement with the design or implementation of our clinical trials;
- failure to demonstrate that a drug candidate is safe and effective and potent for its proposed indication;
- failure of our clinical trial results to meet the level of statistical significance required for approval;
- failure of our clinical trial process to pass relevant good clinical practice ("GCP") inspections;
- failure to demonstrate that a drug candidate's clinical and other benefits outweigh its safety risks;
- disagreement with our interpretation of data from pre-clinical studies or clinical trials;
- insufficient data collected from the clinical trials of our drug candidates to support the submission and filing of a new drug application, or NDA, or other submissions or to obtain regulatory approval;
- failure of our drug candidates to pass current Good Manufacturing Practice ("cGMP"), inspections during the regulatory review process or across the production cycle of our drug;
- failure of our clinical sites to pass audits carried by out by the NMPA, the FDA or comparable regulatory authorities, resulting in a potential invalidation of our research data;
- findings by the NMPA, the FDA or comparable regulatory authorities of deficiencies related to our manufacturing processes or the facilities of third-party manufacturers with whom we contract for clinical and commercial supplies;
- changes in approval policies or regulations that render our pre-clinical and clinical data insufficient for approval; and
- failure of our clinical trial process to keep up with any scientific or technological advancements required by approval policies or regulations.

The NMPA, the FDA or a comparable regulatory authority may require more information, including additional pre-clinical or clinical data, to support approval, which may delay or prevent approval and our

commercialization plans. Even if we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, grant approval contingent on the performance of costly post-marketing clinical trials, or approve a drug candidate with an indication that is not desirable for the successful commercialization of that drug candidate. Any of the foregoing scenarios could materially harm the commercial prospects of our drug candidates.

The absence of patent linkage, patent term extension and data and market exclusivity for NMPA-approved pharmaceutical products could increase the risk of early generic competition with our products in China.

In the United States, the Federal Food, Drug and Cosmetic Act, as amended by the law generally referred to as "Hatch-Waxman," provides the opportunity for patent-term restoration, meaning a patent term extension of up to five years to reflect patent term lost during certain portions of product development and the FDA regulatory review process. Hatch-Waxman also has a process for patent linkage, pursuant to which the FDA will stay approval of certain follow-on applications during the pendency of litigation between the follow-on applicant and the patent holder or licensee, generally for a period of 30 months. Finally, Hatch-Waxman provides for statutory exclusivities that can prevent submission or approval of certain follow-on marketing applications. For example, federal law provides a five-year period of exclusivity within the United States to the first applicant to obtain approval of a new chemical entity and three years of exclusivity protecting certain innovations to previously approved active ingredients where the applicant was required to conduct new clinical investigations to obtain approval for the modification. Similarly, the United States Orphan Drug Act provides seven years of market exclusivity for certain drugs to treat rare diseases, where the FDA designates the drug candidate as an orphan drug and the drug is approved for the designated orphan indication. These provisions, designed to promote innovation, can prevent competing products from entering the market for a certain period of time after the FDA grants marketing approval for the innovative product.

Depending upon the timing, duration and specifics of any FDA marketing approval process for any drug candidates we may develop, one or more of our U.S. patents, if issued, may be eligible for limited patent term extension under Hatch-Waxman. Hatch-Waxman permits a patent extension term of up to five years as compensation for patent term lost during clinical trials and the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of drug approval, only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Furthermore, the applicable time period or the scope of patent protection afforded could be less than we request.

In China, however, there is no currently effective law or regulation providing for patent term extension, patent linkage, or data exclusivity (referred to as regulatory data protection). Therefore, a lower-cost generic drug can emerge onto the market much more quickly. Chinese regulators have set forth a framework for integrating patent linkage and data exclusivity into the Chinese regulatory regime, as well as for establishing a pilot program for patent term extension. To be implemented, this framework will require adoption of regulations. To date, no regulations have been issued. These factors result in weaker protection for us against generic competition in China than could be available to us in the United States. For instance, the patents we have in China are not yet eligible to be extended for patent term lost during clinical trials and the regulatory review process. If we are unable to obtain patent term extension or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations, and prospects could be materially harmed.

Our drug candidates may cause undesirable adverse events or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following regulatory approval.

Undesirable adverse events caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a more restrictive label, a delay or denial of regulatory approval by the NMPA, the FDA or other comparable regulatory authorities, or a significant change in our clinical protocol or even our development plan. In particular, as is the case with drugs treating cancers and auto-immune diseases, it is likely that there may be side effects, such as nausea, fatigue and infusion-related reactions, associated with the use of certain of our drug candidates. Results of our trials could reveal a high and unacceptable severity or prevalence of certain adverse events. In such an event, our trials could be suspended or terminated and the NMPA, the FDA or other comparable regulatory authorities could order us to cease further development of, or deny approval of, our drug candidates for any or all targeted indications. Adverse events related to our drug candidates may affect patient recruitment or the ability of enrolled subjects to complete the trial, and could result in potential liability claims. Any of these occurrences may significantly harm our reputation, business, financial condition and prospects.

Additionally, if we or others identify undesirable side effects caused by those of our existing drug candidates that have received regulatory approval, or our other drug candidates after having received regulatory approval, this may lead to potentially significant negative consequences which include, but are not limited to, the following:

- we may suspend marketing of the drug candidate;
- regulatory authorities may withdraw their approvals of or revoke the licenses for the drug candidate;
- regulatory authorities may require additional warnings on the label;
- the FDA may require the establishment of a Risk Evaluation and Mitigation Strategy, or REMS, or the NMPA or a comparable regulatory authority may require the establishment of a similar strategy that may, for instance, restrict distribution of our drugs and impose burdensome implementation requirements on us;
- we may be required to conduct specific post-marketing studies;
- we could be subjected to litigation proceedings and held liable for harm caused to subjects or patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of any particular drug candidate that is approved and could significantly harm our business, results of operations and prospects.

Further, combination therapy, such as using our wholly-owned drug candidates as well as third-party agents, may involve unique adverse events that could be exacerbated compared with adverse events from monotherapies. Results of our trials could reveal a high and unacceptable severity or prevalence of adverse events. These types of adverse events could be caused by our drug candidates and could cause us or regulatory authorities to interrupt, delay or halt clinical trials and may result in a more restrictive indication or the delay or denial of regulatory approval by the NMPA, the FDA or other comparable regulatory authority.

If we are unable to obtain the NMPA approval for our drug candidates to be eligible for an expedited registration pathway as innovative drug candidates, the time and cost we incur to obtain regulatory approvals may increase.

The NMPA has mechanisms in place for expedited review and approval for drug candidates that are innovative drug applications, provided such drug or drug candidate has a new and clearly defined structure,

pharmacological property and apparent clinical value and has not been marketed anywhere in the world. However, there is no assurance that an innovative drug designation will be granted by the NMPA for any of our drug candidates. Moreover, an innovative drug designation, which is typically granted only towards the end of a drug's developmental stage, does not increase the likelihood that our drug candidates will receive regulatory approval on a fast-track basis, or at all.

Further, there have been recent regulatory initiatives in China in relation to clinical trial approvals, the evaluation and approval of certain drugs and medical devices and the simplification and acceleration of the clinical trial process.

As a result, the regulatory process in China is evolving and subject to change. Any future policies, or changes to current polices might require us to change our planned clinical study design or otherwise spend additional resources and effort to obtain approval of our drug candidates. In addition, policy changes may contain significant limitations related to use restrictions for certain age groups, warnings, precautions or contraindications, or may be subject to burdensome post-approval study or risk management requirements. If we are unable to obtain regulatory approval for our drug candidates in the PRC, or any approval contains significant limitations, we may not be able to obtain sufficient funding or generate sufficient revenue to continue the development of our drug candidates or any other drug candidate that we may in-license, acquire or develop in the future.

Even if we receive regulatory approval for our drug candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expenses and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our drug candidates.

If the NMPA, the FDA or a comparable regulatory authority approves any of our drug candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the drug will be subject to extensive and ongoing regulatory requirements on pharmacovigilance. These requirements include submissions of safety and other post-marketing information and reports, registration, random quality control testing, adherence to any chemistry, manufacturing, and controls ("CMC"), variations, continued compliance with current cGMPs, and GCPs and potential post-approval studies for the purposes of license renewal.

Any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing studies, including Phase 4 studies for the surveillance and monitoring of the safety and efficacy of the drug.

In addition, once a drug is approved by the NMPA, the FDA or a comparable regulatory authority for marketing, it is possible that there could be a subsequent discovery of previously unknown problems with the drug, including problems with third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements. If any of the foregoing occurs with respect to our drug products, it may result in, among other things:

- restrictions on the marketing or manufacturing of the drug, withdrawal of the drug from the market, or voluntary or mandatory drug recalls;
- fines, warning letters or holds on our clinical trials;
- refusal by the NMPA, the FDA or comparable regulatory authorities to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of drug license approvals;
- refusal by the NMPA, the FDA or comparable regulatory authorities to accept any of our other IND approvals, NDAs or BLAs;

- drug seizure or detention, or refusal to permit the import or export of drugs; and
- injunctions or the imposition of civil, administrative or criminal penalties.

Any government investigation of alleged violations of law could require us to expend significant time and resources and could generate negative publicity. Moreover, regulatory policies may change or additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our drug candidates. If we are not able to maintain regulatory compliance, we may lose the regulatory approvals that we have already obtained and may not achieve or sustain profitability, which in turn could significantly harm our business, financial condition and prospects.

Illegal and/or parallel imports and counterfeit pharmaceutical products may reduce demand for our future approved drug candidates and could have a negative impact on our reputation and business.

The illegal importation of competing products from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our future approved drug candidates and, in turn, may adversely affect our sales and profitability in China and other countries where we commercialize our products. Unapproved foreign imports of prescription drugs are illegal under the current laws of China. However, illegal imports may continue to occur or even increase as the ability of patients and other customers to obtain these lower priced imports continues to grow. Furthermore, cross-border imports from lower-priced markets (which are known as parallel imports) into higher-priced markets could harm sales of our future drug products and exert commercial pressure on pricing within one or more markets. In addition, competent government authorities may expand consumers' ability to import lower priced versions of our future approved products or competing products from outside China or other countries where we operate. Any future legislation or regulations that increase consumer access to lower priced medicines from outside China or other countries where we operate could have a material adverse effect on our business.

Certain products distributed or sold in the pharmaceutical market may be manufactured without proper licenses or approvals, or be fraudulently mislabeled with respect to their content or manufacturers. These products are generally referred to as counterfeit pharmaceutical products. The counterfeit pharmaceutical product control and enforcement system, particularly in developing markets such as China, may be inadequate to discourage or eliminate the manufacturing and sale of counterfeit pharmaceutical products imitating our products. Since counterfeit pharmaceutical products in many cases have very similar appearances compared with the authentic pharmaceutical products but are generally sold at lower prices, counterfeits of our products could quickly erode the demand for our future approved drug candidates.

In addition, counterfeit pharmaceutical products are not expected to meet our or our collaborators' rigorous manufacturing and testing standards. A patient who receives a counterfeit pharmaceutical product may be at risk for a number of dangerous health consequences. Our reputation and business could suffer harm as a result of counterfeit pharmaceutical products sold under our or our collaborators' brand name(s). In addition, thefts of inventory at warehouses, plants or while in-transit, which are not properly stored and which are sold through unauthorized channels, could adversely impact patient safety, our reputation and our business.

Risks Related to Commercialization of Our Drug Candidates

Our drug candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

Even if our drug candidates receive regulatory approval, they may nonetheless fail to gain sufficient market acceptance by physicians and patients and others in the medical community. Physicians and patients may prefer other drugs or drug candidates to ours. If our drug candidates do not achieve an adequate level of acceptance, we may not generate significant revenue from sales of our drugs or drug candidates and may not become profitable.

The degree of market acceptance of our drug candidates, if and only when they are approved for commercial sale, will depend on a number of factors, including, but not limited to:

- the clinical indications for which our drug candidates are approved;
- physicians, hospitals and patients considering our drug candidates as a safe and effective treatment;
- whether our drug candidates have achieved the perceived advantages of our drug candidates over alternative treatments;
- the prevalence and severity of any side effects;
- product labeling or package insert requirements of the NMPA, the FDA or other comparable regulatory authorities;
- limitations or warnings contained in the labeling approved by the NMPA, the FDA or other comparable regulatory authorities;
- timing of market introduction of our drug candidates as well as competitive drugs;
- cost of treatment in relation to alternative treatments;
- availability of adequate coverage and reimbursement under the national and provincial reimbursement drug lists in the PRC, or from third-party payors and government authorities in the United States or any other jurisdictions;
- willingness of patients to pay any out-of-pocket expenses in the absence of coverage and reimbursement by third-party payors and government authorities;
- relative convenience and ease of administration, including as compared with alternative treatments and competitive therapies; and
- the effectiveness of our sales and marketing efforts.

If our drug candidates are approved but fail to achieve market acceptance among physicians, patients, hospitals or others in the medical community, we will not be able to generate significant revenue or become profitable. Even if our drugs achieve market acceptance, we may not be able to maintain such market acceptance over time if new products or technologies are introduced which are more favorably received than our drugs, are more cost effective or render our drugs obsolete.

We face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. While our exclusive focus is to develop drug candidates with potential to become first-in-class or best-in-class drugs, we continue to face competition with respect to our current drug candidates, and will face competition with respect to any drug candidates that we may seek to develop or commercialize in the future. Our competitors include major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. We are developing our drug candidate for the treatment of cancer in competition with a number of large biopharmaceutical companies that currently market and sell drugs or are pursuing the development of drugs also for the treatment of cancer. Some of these competitive drugs and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches. For details, see “Business—Our Drug Pipeline.” Potential competitors further include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

Many of our competitors have substantially greater financial, technical, and other resources, such as larger research and development staff and experienced marketing and manufacturing organizations. Additional mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated in our competitors. As a result, these companies may obtain regulatory approval from the NMPA, the FDA or other comparable regulatory authorities more rapidly than we are able to and may be more effective in selling and marketing their products as well. For example, the NMPA has recently accelerated market approval of drugs for diseases with high unmet medical need. In particular, the NMPA may review and approve drugs that have gained regulatory market approval in the United States, the European Union or Japan in the recent ten years without requiring further clinical trials in China. This may lead to potential increased competition from drugs which have already obtained approval in other jurisdictions.

Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. Our competitors may succeed in developing, acquiring, or licensing on an exclusive basis, products that are more effective or less costly than any drug candidate that we may develop, or achieve earlier patent protection, regulatory approval, product commercialization, and market penetration than we do. Additionally, technologies developed by our competitors may render our potential drug candidates uneconomical or obsolete, and we may not be successful in marketing our drug candidates against competitors.

The manufacture of biopharmaceutical products is a complex process which requires significant expertise and capital investment, and if we encounter problems in establishing our manufacturing capabilities or manufacturing our future products, our business could suffer.

We have limited experience in managing the manufacturing process. The manufacture of biopharmaceutical products is a complex process, in part due to strict regulatory requirements. As of the date of this prospectus, we have no existing manufacturing infrastructure or capabilities. If we are unable to identify an appropriate production site or a suitable partner to develop our manufacturing infrastructure, or fail to do so in a timely manner, this may lead to significant delays in the manufacturing of our drug candidates once regulatory and marketing approvals have been obtained. The investment for building a new biologics manufacturing facility that is compliant with cGMP regulations may also be a significant upfront cost for us. In turn, this could materially harm our commercialization plans.

In addition, problems may arise during the manufacturing process for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials, delays related to the construction of new facilities or expansion of any future manufacturing facilities, including changes in manufacturing production sites and limits to manufacturing capacity due to regulatory requirements, changes in the types of products produced, increases in the prices of raw materials, physical limitations that could inhibit continuous supply, man-made or natural disasters and environmental factors. If problems arise during the production of a batch of future products, that batch of future products may have to be discarded and we may experience product shortages or incur added expenses. This could, among other things, lead to increased costs, lost revenue, damage to customer relationships, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before such product is released to the market, recall and product liability costs may also be incurred.

We have no experience in launching and marketing drug candidates. We may not be able to effectively build and manage our sales network, or benefit from third-party collaborators' sales network.

We currently have no sales, marketing or commercial product distribution capabilities and have no experience in marketing drugs. We intend to develop an in-house marketing organization and sales force, which will require significant capital expenditures, management resources and time. We will have to compete with other biopharmaceutical companies to recruit, hire, train and retain marketing and sales personnel.

If we are unable or decide not to establish internal sales, marketing and commercial distribution capabilities for any or all of the drugs we develop, we will likely pursue collaborative arrangements regarding the sales and marketing of our drugs. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or, if we are able to do so, that they will have effective sales forces. Any revenue we receive will depend on the efforts of such third parties, which may not be successful. We may have little or no control over the marketing and sales efforts of such third parties, and our revenue from product sales may be lower than if we had commercialized our drug candidates ourselves. We will also face competition in our search for third parties to assist us with the sales and marketing efforts of our drug candidates.

There can be no assurance that we will be able to develop in-house sales and commercial distribution capabilities or establish or maintain relationships with third-party collaborators to successfully commercialize any product, and as a result, we may not be able to generate product sales revenue.

Even if we are able to commercialize any approved drug candidates, reimbursement may be limited or unavailable in certain market segments for our drug candidates, and we may be subject to unfavorable pricing regulations, which could harm our business.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary widely from country to country. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or licensing approval is granted. In some non-U.S. markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain regulatory approval for a drug in a particular country, but then be subject to price regulations that delay our commercial launch of the drug and negatively impact the revenues we are able to generate from the sale of the drug in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates, even if our drug candidates obtain regulatory approval. For example, according to a statement, Opinions on Reforming the Review and Approval Process for Pharmaceutical Products and Medical Devices, issued by the PRC State Council in August 2015, the enterprises applying for new drug approval will be required to undertake that the selling price of new drug on PRC mainland market shall not be higher than the comparable market prices of the product in its country of origin or PRC's neighboring markets, as applicable.

Our ability to commercialize any drugs successfully also will depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the global healthcare industry is cost containment. Government authorities and these third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any drug that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, any drug for which we obtain regulatory approval. Obtaining reimbursement for our drugs may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate that we successfully develop.

There may be significant delays in obtaining reimbursement for approved drug candidates, and coverage may be more limited than the purposes for which the drug candidates are approved by the NMPA, the FDA or other comparable regulatory authorities. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim payments for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Payment rates may vary according to the use of the drug and the clinical setting in

which it is used, may be based on payments allowed for lower cost drugs that are already reimbursed, and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future weakening of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any future approved drug candidates and any new drugs that we develop could have a material adverse effect on our business, our operating results, and our overall financial condition.

Current and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our drug candidates and affect the prices we may obtain.

In the United States and certain other jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our drug candidates, restrict post-approval activities and affect our ability to sell profitably any drug candidates for which we obtain marketing approval.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the ACA, became law. The ACA is a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. Among the provisions of the ACA of importance to our drug candidates are the following:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic products;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- expansion of healthcare fraud and abuse laws, including the False Claims Act and the Anti-Kickback Statute, new government investigative powers, and enhanced penalties for noncompliance;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices;
- extension of manufacturers' Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service Act's pharmaceutical pricing program;
- new requirements to report to CMS financial arrangements with physicians and teaching hospitals;
- a new requirement to annually report to the FDA drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals, if any, of our drug candidates may be. In addition, increased scrutiny by the U.S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing conditions and other requirements.

As we out-license some of our commercialization rights and engage in other forms of collaboration worldwide, including conducting clinical trials abroad, we may be exposed to specific risks of conducting our business and operations in international markets.

Markets outside of China form an important component of our growth strategy, as we out-license some of our commercialization rights to third parties outside the PRC and conduct certain of our clinical trials abroad. If we fail to obtain applicable licenses or fail to enter into strategic collaboration arrangements with third parties in these markets, or if these collaboration arrangements turn out unsuccessful, our revenue-generating growth potential will be adversely affected.

Moreover, international business relationships subject us to additional risks that may materially adversely affect our ability to attain or sustain profitable operations, including:

- efforts to enter into collaboration or licensing arrangements with third parties in connection with our international sales, marketing and distribution efforts may increase our expenses or divert our management's attention from the acquisition or development of drug candidates;
- changes in a specific country's or region's political and cultural climate or economic condition;
- differing regulatory requirements for drug approvals and marketing internationally;
- difficulty of effective enforcement of contractual provisions in local jurisdictions;
- potentially reduced protection for intellectual property rights;
- potential third-party patent rights;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation or political instability;
- compliance with tax, employment, immigration and labor laws for employees traveling abroad;
- the effects of applicable non-PRC tax structures and potentially adverse tax consequences;
- currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incidental to doing business in another country;
- workforce uncertainty and labor unrest;
- the potential for so-called parallel importing, which is what happens when a local seller, faced with high or higher local prices, opts to import goods from an international market with low or lower prices rather than buying them locally;
- failure of our employees and contracted third parties to comply with Office of Foreign Assets Control rules and regulations and the Foreign Corrupt Practices Act of the United States, and other applicable rules and regulations;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism, or natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires.

These and other risks may materially adversely affect our ability to attain or sustain revenue from international markets.

If safety, efficacy, or other issues arise with any medical product that is used in combination with our drug candidates, we may be unable to market such drug candidate or may experience significant regulatory delays or supply shortages, and our business could be materially harmed.

We plan to develop certain of our drug candidates for use as a combination therapy. If the NMPA, the FDA or another comparable regulatory agency revokes its approval of another therapeutic we use in combination with

our drug candidates, we will not be able to market our drug candidates in combination with such revoked therapeutic. If safety or efficacy issues arise with these or other therapeutics that we seek to combine with our drug candidates in the future, we may experience significant regulatory delays, and we may be required to redesign or terminate the applicable clinical trials. In addition, if manufacturing or other issues result in a supply shortage of any component of our combination drug candidates or if we cannot secure supply of any component of our drug candidates at commercially reasonable or acceptable prices, we may not be able to complete clinical development of our drug candidates on our current timeline or within our current budget, or at all.

Lack of third-party combination drugs may materially and adversely affect demand for our drugs.

Our drug candidates may be administered in combination with drugs of other pharmaceutical companies as one regimen. In addition, we often use such third-party drugs in our development and clinical trials as controls for our studies. As a result, both the results of our clinical trials and the sales of our drugs may be affected by the availability of these third-party drugs. If other pharmaceutical companies discontinue these combination drugs, regimens that use these combination drugs may no longer be prescribed, and we may not be able to introduce or find an alternative drug to be used in combination with our drugs at all or in a timely manner and on a cost-effective basis. As a result, demand for our drugs may be lowered, which would in turn materially and adversely affect our business and results of operations.

Risks Related to Our Reliance on Third Parties

As we rely on third parties to conduct our pre-clinical studies and clinical trials, if we lose our relationships with these third parties or if they do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug candidates and our business could be substantially harmed.

We have relied on and plan to continue to rely on third-party contract research organization ("CROs") to monitor and manage data for some of our ongoing pre-clinical and clinical programs. We rely on these parties for the execution of our pre-clinical and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and our reliance on the CROs does not relieve us of our regulatory responsibilities.

We also rely on third parties to assist in conducting our pre-clinical studies in accordance with Good Laboratory Practices ("GLP"). We and our CROs are required to comply with GCP, GLP and other regulatory regulations and guidelines enforced by the NMPA, the FDA and comparable foreign regulatory authorities for all of our drug candidates in clinical development. Regulatory authorities enforce these GCP, GLP or other regulatory requirements through periodic inspections of trial sponsors, investigators and trial sites. If we or any of our CROs fail to comply with applicable GCP, GLP or other regulatory requirements, the relevant data generated in our clinical trials may be deemed unreliable and the NMPA, the FDA or other comparable regulatory authorities may require us to perform additional clinical studies before approving our marketing applications. There can be no assurance that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials complies with GCP requirements. In addition, our clinical trials must be conducted with drug candidates or products produced under cGMP requirements. Failure to comply with these regulations may require us to repeat pre-clinical and clinical trials, which would delay the regulatory approval process.

Our CROs have the right to terminate their agreements with us in the event of an unrectified material breach. If any of our relationships with our third-party CROs is terminated, we may not be able to (i) enter into arrangements with alternative CROs or do so on commercially reasonable terms or (ii) meet our desired clinical development timelines. In addition, there is a natural transition period when a new CRO commences work, and the new CRO may not provide the same type or level of services as the original provider and data from our clinical trials may be compromised as a result. There is also a need for relevant technology to be transferred to the new CRO, which may take time and further delay our development timelines.

Except for remedies available to us under our agreements with our CROs, we cannot control whether or not our CROs devote sufficient time and resources to our ongoing clinical, nonclinical and pre-clinical programs. If our CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines or if the quality or accuracy of the clinical data they obtain is compromised due to their failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our drug candidates. As a result, our results of operations and the commercial prospects for our drug candidates would be harmed and our costs could increase. In turn, our ability to generate revenues could be delayed or compromised.

Because we rely on third parties, our internal capacity to perform these functions is limited. Outsourcing these functions involves certain risks that third parties may not perform to our standards, may not produce results in a timely manner or may fail to perform at all. In addition, the use of third-party service providers requires us to disclose our proprietary information to these third parties, which could increase the risk that such information will be misappropriated. We currently have a small number of employees, which limits the internal resources we have available to identify and monitor our third-party service providers. To the extent we are unable to identify and successfully manage the performance of third-party service providers in the future, our business may be adversely affected. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

We expect to rely on third parties to manufacture at least a portion of our drug candidate supplies, and we intend to rely on third parties for at least a portion of the manufacturing process of our drug candidates, if approved. Our business could be harmed if those third parties fail to provide us with sufficient quantities of product or fail to do so at acceptable quality levels or prices.

Although we plan to either construct or acquire a facility that will be used as our clinical-scale manufacturing and processing facility, we intend to also partially rely on third-party vendors to manufacture supplies and process our drug candidates. We have not yet manufactured or processed our drug candidates on a commercial scale and may not be able to do so for any of our drug candidates. We have limited experience in managing the manufacturing process, and our process may be more difficult or expensive than the approaches currently in use.

Our anticipated reliance on third-party manufacturers exposes us to certain risks, including, but not limited to, the following:

- we may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and the NMPA, the FDA or other comparable regulatory authorities must approve any manufacturers as part of their regulatory oversight of our drug candidates. This approval would require new testing and cGMP-compliance inspections by the NMPA, the FDA or other comparable regulatory authorities. In addition, a new manufacturer would have to be educated in, or develop substantially equivalent processes for, production of our drugs;
- our contract manufacturers may have little or no experience with manufacturing our drug candidates, and therefore may require a significant amount of support from us in order to implement and maintain the infrastructure and processes required to manufacture our drug candidates;
- our contract manufacturers may have limited capacity or limited manufacturing slots, which may affect the timeline for the production of our drugs;
- our contract manufacturers might be unable to timely manufacture our drug candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any;
- contract manufacturers may not be able to execute our manufacturing procedures and other logistical support requirements appropriately;

- our future contract manufacturers may not perform as agreed, may not devote sufficient resources to our drugs, or may not remain in the contract manufacturing business for the time required to supply our clinical trials or to successfully produce, store and distribute our drugs;
- our contract manufacturers are subject to ongoing periodic unannounced inspections by the NMPA and the FDA to ensure strict compliance with cGMP and other government regulations in the PRC and the United States, respectively, and by other comparable regulatory authorities for corresponding regulatory requirements. We do not have control over third-party manufacturers' compliance with these regulations and requirements;
- we may not own, or may have to share, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our drugs;
- our contract manufacturers could breach or terminate their agreements with us;
- our contract manufacturers may be unable to sustain their business and become bankrupt as a result;
- raw materials and components used in the manufacturing process, particularly those for which we have no other source or supplier, may not be available or may not be suitable or acceptable for use due to material or component defects;
- products and components from our third-party manufacturers may be subject to additional customs and import charges, which may cause us to incur delays or additional costs as a result;
- our contract manufacturers and critical reagent suppliers may be subject to inclement weather, as well as natural or man-made disasters; and
- our contract manufacturers may have unacceptable or inconsistent product quality success rates and yields.

Each of these risks could delay or prevent the completion of our clinical trials or the approval of any of our drug candidates by the NMPA, the FDA or other comparable regulatory authorities, result in higher costs or adversely impact the commercialization of our drug candidates. In addition, we will rely on third parties to perform certain specification tests on our drug candidates prior to delivery to patients. If these tests are not appropriately done and test data is not reliable, patients could be put at risk of serious harm and the NMPA, the FDA or other comparable regulatory authorities could place significant restrictions on our company until deficiencies are remedied.

The manufacture of biopharmaceutical products is complex and requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. Currently, our drug raw materials for our manufacturing activities are supplied by multiple source suppliers. We have agreements for the supply of drug materials with manufacturers or suppliers that we believe have sufficient capacity to meet our demands. In addition, we believe that adequate alternative sources for such supplies exist. However, there is a risk that, if supplies are interrupted, our business would be materially harmed.

Manufacturers of biopharmaceutical products often encounter difficulties in production, particularly in scaling up or out, validating the production process, and assuring high reliability of the manufacturing process, including the absence of contamination. These problems include logistics and shipping, difficulties with production costs and yields, quality control, including stability of the product, product testing, operator error and availability of qualified personnel, as well as compliance with strictly enforced regulations in the PRC, the United States and other applicable jurisdictions. Further, if contaminants are discovered in the supply of our drug candidates or in the manufacturing facilities, such manufacturing facilities may need to be closed for an extended period of time for us to investigate and remedy the contamination. There can be no assurance that any stability failures or other issues relating to the manufacture of our drug candidates will not occur in the future. Additionally, our contract manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environment. If our contract manufacturers were to encounter

any of these difficulties, or otherwise fail to comply with their contractual obligations, our ability to provide our drug candidate to patients in clinical trials would be jeopardized. Any delay or interruption in the supply of clinical trial supplies could delay the completion of our clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to begin new clinical trials at additional expense or terminate clinical trials completely.

We have entered into collaborations and may form or seek collaborations or strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such alliances or licensing arrangements.

We may form or seek strategic alliances, create joint ventures or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our drug candidates and any future drug candidates that we may develop. Any of these relationships may require us to incur recurring or non-recurring expenses and other charges, increase our near and long-term expenditures, issue securities that dilute the value of our ADSs, or disrupt our management and business. For example, we have entered into a license and collaboration agreement with MorphoSys AG ("MorphoSys"), pursuant to which we in-licensed from MorphoSys the development and commercialization rights of TJ202 in Greater China. Furthermore, we have entered into a product collaboration agreement with Everest Medicines Limited ("Everest"), pursuant to which we and Everest agreed to share the development cost and economic interest in TJ202 with respect to multiple myeloma. In addition, we face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our drug candidates because they may be deemed to be at too early a stage of development for collaborative effort and third parties may not view our drug candidates as having the requisite potential to demonstrate safety and efficacy. If and when we collaborate with a third party for the development and commercialization of a drug candidate, we can expect to relinquish some or all of the control over the future success of that drug candidate to the third party.

Further, collaborations involving our drug candidates are subject to specific risks, which include, but are not limited to, the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to a collaboration;
- collaborators may not pursue the development and commercialization of our drug candidates or may elect not to continue or renew the development or commercialization programs based on clinical trial results, change in their strategic focus due to the acquisition of competitive drugs, availability of funding, or other external factors, such as a business combination that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial, discontinue a clinical trial, repeat or conduct new clinical trials, or require a new formulation of a drug candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, drugs that compete directly or indirectly with our drug candidates or future drugs;
- collaborators with marketing and distribution rights to one or more of our drug candidates or future drugs may not commit sufficient resources to their marketing and distribution;
- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- collaborators may not always be cooperative or responsive in providing their services in a clinical trial;

- disputes may arise between us and a collaborator that cause a delay or termination of the research, development or commercialization of our drug candidates, or that result in costly litigation or arbitration that diverts management attention and resources;
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable drug candidates; and
- collaborators may own or co-own intellectual property covering our drug candidates or future drugs that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property.

As a result, if we enter into collaboration agreements and strategic partnerships or license our drugs, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate these agreements or partnerships with our existing operations and company culture, which could delay our timelines or otherwise adversely affect our business.

Neither can we be certain that, following a strategic transaction or license, we will be able to achieve the revenue or specific net income that justifies such transaction. If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a drug candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our drug candidates or bring them to market and generate product sales revenue, which would harm our business, financial condition, results of operations and prospects.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain patent and other intellectual property protection for our drug candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize any product or technology may be adversely affected.

Our success depends in large part on our ability to protect our proprietary technology and drug candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights, including patent rights. As of July 15, 2019, our owned patent portfolio consist of five patents and 127 patent applications primarily in connection with the drug candidates in our Global Portfolio, including 15 Patent Cooperation Treaty (“PCT”) patent applications, seven U.S. patent applications, ten PRC patent applications and 95 patent applications in other jurisdictions. In addition, as of July 15, 2019, we in-licensed the Greater China rights relating to 19 issued patents and 25 pending patent applications primarily in connection with TJ202, TJ101, TJ301, enoblituzumab and TJ107. We seek to protect the drug candidates and technology that we consider commercially important by filing patent applications in China, the United States and other countries or regions, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. This process is expensive and time-consuming, and we or our licensors may not be able to file and prosecute all necessary or desirable patent applications in all jurisdictions at a reasonable cost or in a timely manner. It is also possible that we or our licensors will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. As a result, the

issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued which protect our technology or drug candidates or which effectively prevent others from commercializing competitive technologies and drug candidates. The patent examination process may require us or our licensors to narrow the scope of the claims of our or our licensors' pending and future patent applications, which may limit the scope of patent protection that may be obtained. We cannot assure that all of the potentially relevant prior art relating to our patents and patent applications has been found. If such prior art exists, it can invalidate a patent or prevent a patent application from being issued as a patent.

Even if patents do issue on any of these applications, there can be no assurance that a third party will not challenge their validity, enforceability, or scope, which may result in the patent claims being narrowed or invalidated, or that we will obtain sufficient claim scope in those patents to prevent a third party from competing successfully with our drug candidates. We may become involved in interference, *inter partes* review, post grant review, ex parte reexamination, derivation, opposition or similar other proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such proceeding could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or drug candidates and compete directly with us, or result in our inability to manufacture or commercialize drug candidates without infringing third-party patent rights. Thus, even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage.

Our competitors may be able to circumvent our patents by developing similar or alternative technologies or drug candidates in a non-infringing manner. The issuance of a patent is not conclusive as to its scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and other countries. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping others from using or commercializing similar or identical technology and drug candidates, or limit the duration of the patent protection of our technology and drug candidates. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such assets might expire before or shortly after such assets are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing drug candidates similar or identical to ours.

Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. Under the America Invents Act ("AIA") enacted in 2011, the United States moved to this first-to-file system in early 2013 from the previous system under which the first to make the claimed invention was entitled to the patent. Assuming the other requirements for patentability are met, the first to file a patent application is entitled to the patent. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions.

We enjoy only limited geographical protection with respect to certain patents and may not be able to protect our intellectual property rights throughout the world, including in the PRC.

Filing and prosecuting patent applications and defending patents covering our drug candidates in all countries throughout the world could be prohibitively expensive. Competitors may use our and our licensors' technologies in jurisdictions where we have not obtained patent protection to develop their own drug candidates and, further, may export otherwise infringing drug candidates to territories, including the PRC, where we and our licensors have patent protection, but enforcement rights are not as strong as that in the United States or Europe. These drug candidates may compete with our drug candidates, and our and our licensors' patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

The laws of some jurisdictions, including the PRC, do not protect intellectual property rights to the same extent as the laws or rules and regulations in the United States and Europe, and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents or marketing of competing drug candidates in violation of our proprietary rights generally. Proceedings to enforce our patent rights in other jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing as patents, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. Furthermore, while we intend to protect our intellectual property rights in our expected significant markets, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our drug candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate, which may have an adverse effect on our ability to successfully commercialize our drug candidates in all of our expected significant foreign markets. If we or our licensors encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished and we may face additional competition from others in those jurisdictions.

Some countries also have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, some countries limit the enforceability of patents against government agencies or government contractors. In those countries, the patent owner may have limited remedies, which could materially diminish the value of such patents. If we or any of our licensors is forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance and annuity fees on any issued patent are due to be paid to the United States Patent and Trademark Office (“USPTO”) and foreign patent agencies over the lifetime of a patent. In addition, the USPTO and other foreign patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. While an inadvertent failure to make payment of such fees or to comply with such provisions can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which such non-compliance will result in the abandonment or lapse of the patent or patent application, and the partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, and non-payment of fees and failure to properly legalize and submit formal documents within prescribed time limits. If we or our licensors fail to maintain the patents and patent applications covering our drug candidates or if we or our licensors otherwise allow our patents or patent applications to be abandoned or lapse, our competitors might be able to enter the market, which would hurt our competitive position and could impair our ability to successfully commercialize our drug candidates in any indication for which they are approved.

Our owned and in-licensed patents and other intellectual property may be subject to further priority disputes or to inventorship disputes and similar proceedings. If we or our licensors are unsuccessful in any of these proceedings, we may be required to obtain licenses from third parties, which may not be available on commercially reasonable terms or at all, or to modify or cease the development, manufacture and commercialization of one or more of the drug candidates we may develop, which could have a material adverse impact on our business.

We or our licensors may be subject to claims that former employees, collaborators or other third parties have an interest in our owned or in-licensed patents or other intellectual property as an inventor or co-inventor. If we or our licensors are unsuccessful in any interference proceedings or other priority or validity disputes (including any patent oppositions) to which we or they are subject, we may lose valuable intellectual property rights through the loss of one or more patents owned or licensed or our owned or licensed patent claims may be narrowed, invalidated, or held unenforceable. In addition, if we or our licensors are unsuccessful in any inventorship disputes to which we or they are subject, we may lose valuable intellectual property rights, such as exclusive ownership of, or the exclusive right to use, our owned or in-licensed patents. If we or our licensors are unsuccessful in any interference proceeding or other priority or inventorship dispute, we may be required to obtain and maintain licenses from third parties, including parties involved in any such interference proceedings or other priority or inventorship disputes. Such licenses may not be available on commercially reasonable terms or at all, or may be non-exclusive. If we are unable to obtain and maintain such licenses, we may need to modify or cease the development, manufacture, and commercialization of one or more of our drug candidates. The loss of exclusivity or the narrowing of our owned and licensed patent claims could limit our ability to stop others from using or commercializing similar or identical drug products. Any of the foregoing could result in a material adverse effect on our business, financial condition, results of operations, or prospects. Even if we are successful in an interference proceeding or other similar priority or inventorship disputes, it could result in substantial costs and be a distraction to our management and other employees.

Claims that our drug candidates or the sale or use of our future products infringe, misappropriate or otherwise violate the patents or other intellectual property rights of third parties could result in costly litigation or could require substantial time and money to resolve, even if litigation is avoided.

We cannot guarantee that our drug candidates or the sale or use of our future products do not and will not in the future infringe, misappropriate or otherwise violate third-party patents or other intellectual property rights. Third parties might allege that we are infringing their patent rights or that we have misappropriated their trade secrets, or that we are otherwise violating their intellectual property rights, whether with respect to the manner in which we have conducted our research, or with respect to the use or manufacture of the compounds we have developed or are developing. Litigation relating to patents and other intellectual property rights in the biopharmaceutical and pharmaceutical industries is common, including patent infringement lawsuits. The various markets in which we plan to operate are subject to frequent and extensive litigation regarding patents and other intellectual property rights. Some claimants may have substantially greater resources than we have and may be able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than we could. Third parties might resort to litigation against us or other parties we have agreed to indemnify, which litigation could be based on either existing intellectual property or intellectual property that arises in the future. For example, we are aware of a third-party U.S. patent and its counterpart European patents that relate to the use of antibodies having specificity to PD-L1 to treat cancer.

It is also possible that we failed to identify, or may in the future fail to identify, relevant patents or patent applications held by third parties that cover our drug candidates. Publication of discoveries in the scientific or patent literature often lags behind actual discoveries. Therefore, we cannot be certain that we were the first to invent, or the first to file patent applications on, our drug candidates or for their uses, or that our drug candidates will not infringe patents that are currently issued or that are issued in the future. In the event that a third party has also filed a patent application covering one of our drug candidates or a similar invention, our patent application may be regarded as a competing application and may not be approved in the end. Additionally, pending patent

applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our products or their use.

If a third party were to assert claims of patent infringement against us, even if we believe such third-party claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, and the holders of any such patents may be able to block our ability to commercialize the applicable product unless we obtained a license under the applicable patents, or until such patents expire or are finally determined to be invalid or unenforceable. Similarly, if any third-party patents were held by a court of competent jurisdiction to cover aspects of our compositions, formulations, or methods of treatment, prevention, or use, the holders of any such patents may be able to block our ability to develop and commercialize the applicable product unless we obtained a license or until such patent expires or is finally determined to be invalid or unenforceable. In addition, defending such claims would cause us to incur substantial expenses and could cause us to pay substantial damages, if we are found to be infringing a third party's patent rights. These damages potentially include increased damages and attorneys' fees if we are found to have infringed such rights willfully. In order to avoid or settle potential claims with respect to any patent or other intellectual property rights of third parties, we may choose or be required to seek a license from a third party and be required to pay license fees or royalties or both, which could be substantial. These licenses may not be available on acceptable terms, or at all. Even if we were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, we could be prevented from commercializing a drug candidate, or be forced, by court order or otherwise, to modify or cease some or all aspects of our business operations, if, as a result of actual or threatened patent or other intellectual property claims, we are unable to enter into licenses on acceptable terms. Further, we could be found liable for significant monetary damages as a result of claims of intellectual property infringement.

Defending against claims of patent infringement, misappropriation of trade secrets or other violations of intellectual property rights could be costly and time-consuming, regardless of the outcome. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Thus, even if we were to ultimately prevail, or to settle at an early stage, such litigation could burden us with substantial unanticipated costs.

Issued patents covering one or more of our drug candidates could be found invalid or unenforceable if challenged in court.

Despite measures we take to obtain and maintain patent and other intellectual property rights with respect to our drug candidates, our intellectual property rights could be challenged or invalidated. For example, if we were to initiate legal proceedings against a third party to enforce a patent covering one of our drug candidates, the defendant could counterclaim that our patent is invalid and/or unenforceable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, SIPO, or the applicable foreign counterpart, or made a misleading statement, during prosecution. Although we believe that we have conducted our patent prosecution in accordance with a duty of candor and in good faith, the outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on a drug candidate. Even if a defendant does not prevail on a legal assertion of invalidity and/or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against the defendant and others. Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may not be an adequate remedy. In addition, if the breadth or strength of protection provided by our patents is threatened, it could dissuade companies from collaborating with us to license, develop, or commercialize our current or future drug candidates. Any loss of patent protection could have a material adverse impact on one or more of our drug candidates and our business.

Enforcing our intellectual property rights against third parties may also cause such third parties to file other counterclaims against us, which could be costly to defend and could require us to pay substantial damages, cease the sale of certain drugs or enter into a license agreement and pay royalties (which may not be possible on commercially reasonable terms or at all).

Intellectual property litigation may lead to unfavorable publicity which may harm our reputation and cause the market price of our ADSs to decline, and any unfavorable outcome from such litigation could limit our research and development activities and/or our ability to commercialize our drug candidates.

During the course of any intellectual property litigation, there could be public announcements of the results of hearings, rulings on motions, and other interim proceedings in the litigation. If securities analysts or investors regard these announcements as negative, the perceived value of our drug candidates, future drugs, programs or intellectual property could be diminished. Accordingly, the market price of our ADSs may decline. Such announcements could also harm our reputation or the market for our drug candidates, which could have a material adverse effect on our business.

In the event of intellectual property litigation, there can be no assurance that we would prevail, even if the case against us is weak or flawed. If third parties successfully assert their intellectual property rights against us, prohibitions against using certain technologies, or prohibitions against commercializing our drug candidates, could be imposed by a court or by a settlement agreement between us and a plaintiff. In addition, if we are unsuccessful in defending against allegations that we have infringed, misappropriated or otherwise violated the patent or other intellectual property rights of others, we may be forced to pay substantial damage awards to the plaintiff. Additionally, we may be required to obtain a license from the intellectual property owner in order to continue our research and development programs or to commercialize any resulting product. It is possible that the necessary license will not be available to us on commercially acceptable terms, or at all. This may not be technically or commercially feasible, may render our products less competitive, or may delay or prevent the launch of our products to the market. Any of the foregoing could limit our research and development activities, our ability to commercialize one or more drug candidates, or both.

Most of our competitors are larger than we are and have substantially greater resources. They are, therefore, likely to be able to sustain the costs of complex intellectual property litigation longer than we could. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to conduct our clinical trials, continue our internal research programs, in-license needed technology, or enter into strategic partnerships that would help us bring our drug candidates to market.

In addition, any future intellectual property litigation, interference or other administrative proceedings will result in additional expense and distraction of our personnel. An adverse outcome in such litigation or proceedings may expose us or any future strategic partners to loss of our proprietary position, expose us to significant liabilities, or require us to seek licenses that may not be available on commercially acceptable terms, if at all, each of which could have a material adverse effect on our business.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patent rights. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity, and is therefore costly, time-consuming, and inherently uncertain. In addition, the United States has recently enacted and is implementing wide-ranging patent reform legislation. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained, if any. Depending on decisions by the U.S.

Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. For example, in a recent case, *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, the U.S. Supreme Court held that certain claims to naturally-occurring substances are not patentable. Although we do not believe that our currently issued patents and any patents that may issue from our pending patent applications directed to our drug candidates if issued in their currently pending forms, as well as patent rights licensed by us, will be found invalid based on this decision, we cannot predict how future decisions by the courts, the U.S. Congress or the USPTO may impact the value of our patent rights. There could be similar changes in the laws of foreign jurisdictions that may impact the value of our patent rights or our other intellectual property rights.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. We also may be subject to claims that our employees, consultants, or advisers have wrongfully used or disclosed alleged trade secrets of their former employers or claims asserting ownership of what we regard as our own intellectual property.

In addition to our issued patents and pending patent applications, we rely on trade secret and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our drug candidates. We seek to protect this trade secret and confidential information, in part, by entering into non-disclosure and confidentiality agreements with parties that have access to them, such as our employees, corporate collaborators, outside scientific collaborators, sponsored researchers, contract manufacturers, consultants, advisers and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. However, any of these parties may breach such agreements and disclose our proprietary information, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

Furthermore, many of our employees, consultants, and advisers, including our senior management, were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees, consultants, and advisers, including members of our senior management, executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's former employer. We are not aware of any threatened or pending claims related to these matters or concerning the agreements with our senior management, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management. In addition, while we typically require our employees, consultants and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own, and furthermore, the assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, each of which may result in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs, be a distraction to our management and scientific personnel and have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be successful in obtaining or maintaining necessary rights for our development pipeline through acquisitions and in-licenses.

Because our programs may involve additional drug candidates that may require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire and maintain licenses or other rights to use these proprietary rights. We may be unable to acquire or in-license any compositions, methods of use, or other intellectual property rights from third parties that we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant program or drug candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects for growth.

Our rights to develop and commercialize our drug candidates are subject, in part, to the terms and conditions of licenses granted to us by others.

We rely on licenses to certain patent rights and other intellectual property from third parties that are important or necessary to the development of our drug candidates. These and other licenses may not provide exclusive rights to use such intellectual property in all relevant fields of use and in all territories in which we may wish to develop or commercialize our drug products. As a result, we may not be able to prevent competitors from developing and commercializing competitive drug products in territories included in all of our licenses.

We may not have the right to control the preparation, filing, prosecution, maintenance, enforcement, and defense of patents and patent applications covering the drug candidates that we license from third parties. Moreover, we have not had and do not have primary control over these activities for certain of our patents or patent applications and other intellectual property rights that we jointly own with certain of our licensors and sub-licensors. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced, and defended in a manner consistent with the best interests of our business. If our licensors fail to prosecute, maintain, enforce and defend such patents, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize any of our drugs that are subject of such licensed rights could be adversely affected.

Pursuant to the terms of the license agreements with some of our licensors, the licensors may have the right to control enforcement of our licensed patents or defense of any claims asserting the invalidity or unenforceability of these patents. Even if we are permitted to pursue the enforcement or defense of our licensed patents, we will require the cooperation of our licensors and any applicable patent owners and such cooperation may not be provided to us. We cannot be certain that our licensors will allocate sufficient resources or prioritize their or our enforcement of such patents or defense of such claims to protect our interests in the licensed patents. Even if we are not a party to these legal actions, an adverse outcome could harm our business because it might prevent us from continuing to license intellectual property that we may need to operate our business. If we lose any of our licensed intellectual property, our right to develop and commercialize any of our drug candidates that are subject of such licensed rights could be adversely affected.

In addition, our licensors may have relied on third party consultants or collaborators or on funds from third parties such that our licensors are not the sole and exclusive owners of the patents we in-license. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

In spite of our best efforts, our licensors might conclude that we have materially breached our license agreements and might therefore terminate the license agreements, thereby removing our ability to develop and commercialize drug products covered by these license agreements. If such licenses are terminated, we may be required seek alternative in-license arrangements, which may not be available on commercially reasonable terms or at all, or may be non-exclusive. If these in-licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, we may need to modify or cease the development, manufacture, and commercialization of one or more of our drug candidates and competitors would have the freedom to seek regulatory approval of, and to market, products identical to ours. In addition, we may seek to obtain additional licenses from our licensors and, in connection with obtaining such licenses, we may agree to amend our existing licenses in a manner that may be more favorable to the licensors, including by agreeing to terms that could enable third parties (potentially including our competitors) to receive licenses to a portion of the intellectual property that is subject to our existing licenses. Any of these events could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could be required to pay monetary damages or could lose license rights that are important to our business.

Our business relies, in large part, on our ability to develop and commercialize drug candidates we have licensed from third parties, and we have entered into license agreements with third parties providing us with rights to various third-party intellectual property, including rights in patents and patent applications. Our licenses may not encumber all intellectual property rights owned or controlled by the affiliates of our licensors and relevant to our drug candidates, and we may need to obtain additional licenses from our existing licensors and others to advance our research or allow commercialization of drug candidates we may develop. In such case, we may need to obtain additional licenses which may not be available on an exclusive basis, on commercially reasonable terms or at a reasonable cost, if at all. In that event, we may be required to expend significant time and resources to redesign our drug candidates or the methods for manufacturing them or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected drug candidates, which could harm our business, financial condition, results of operations, and prospects significantly.

In addition, if our licensors breach the license agreements, we may not be able to enforce such agreements against our licensors' parent entity or affiliates. Under each of our license and intellectual property-related agreements, in exchange for licensing or sublicensing us the right to develop and commercialize the applicable drug candidates, our licensors will be eligible to receive from us milestone payments, tiered royalties from commercial sales of such drug candidates, assuming relevant approvals from government authorities are obtained, or other payments. Our license and intellectual property-related agreements also require us to comply with other obligations including development and diligence obligations, providing certain information regarding our activities with respect to such drug candidates and/or maintaining the confidentiality of information we receive from our licensors.

If we fail to comply with our obligations under our current or future license agreements, our counterparties may have the right to terminate these agreements and, upon the effective date of such termination, have the right to re-obtain the licensed and sub-licensed technology and intellectual property. If any of our licensors terminate any of our licenses, we might not be able to develop, manufacture or market any drug or drug candidate that is covered by the licenses provided for under these agreements and other third parties may be able to market drug candidates similar or identical to ours. In such case, we may have to negotiate new or reinstated agreements with less favorable terms, and may be required to provide a grant back license to the licensors under our own intellectual property with respect to the terminated products. We may also face claims for monetary damages or other penalties under these agreements. While we would expect to exercise all rights and remedies available to us, including seeking to cure any breach by us, and otherwise seek to preserve our rights under the intellectual property rights licensed and sublicensed to us, we may not be able to do so in a timely manner, at an acceptable

cost or at all. In particular, some of the milestone payments are payable upon our drug candidates reaching development milestones before we have commercialized, or received any revenue from, sales of such drug candidate, and we cannot guarantee that we will have sufficient resources to make such milestone payments. Any uncured, material breach under the license agreements could result in our loss of exclusive rights and may lead to a complete termination of our rights to the applicable drug candidate. Any of the foregoing could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

It is possible that we may be unable to obtain any additional licenses at a reasonable cost or on reasonable terms, if at all. Certain of our license agreements also require us to meet development thresholds to maintain the license, including establishing a set timeline for developing and commercializing products. Disputes may arise regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- the extent to which our technology and processes infringe, misappropriate or violate intellectual property of the licensor that is not subject to the license agreement;
- the sublicensing of patent and other rights under our collaborative development relationships;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

In addition, the agreements under which we license intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected drug candidates, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily protect us from all potential threats to our competitive advantage.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to make compounds that are similar to our drug candidates but that are not covered by the claims of the patents that we own or have exclusively licensed;
- we might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own or may in the future exclusively license, which could result in the patents applied for not being issued or being invalidated after issuing;
- we might not have been the first to file patent applications covering certain of our inventions, which could result in the patents applied for not being issued or being invalidated after issuing;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;

- it is possible that our pending patent applications will not lead to issued patents;
- issued patents that we own or have exclusively licensed may not provide us with any competitive advantages, or may be held invalid or unenforceable, as a result of legal challenges by our competitors or other third parties;
- we may obtain patents for certain compounds many years before we receive regulatory approval for drugs containing such compounds, and because patents have a limited life, which may begin to run prior to the commercial sale of the related drugs, the commercial value of our patents may be limited;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive drugs for commercialization in our major markets;
- we may fail to develop additional proprietary technologies that are patentable;
- we may fail to apply for or obtain adequate intellectual property protection in all the jurisdictions in which we operate;
- third parties may gain unauthorized access to our intellectual property due to potential lapses in our information systems; and
- the patents of others may have an adverse effect on our business, for example by preventing us from commercializing one or more of our drug candidates for one or more indications.

Any of the aforementioned threats to our competitive advantage could have a material adverse effect on our business and future prospects.

If our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our markets of interest and our competitive position may be adversely affected.

We own registered trademarks. We may not be able to obtain trademark protection in territories that we consider of significant importance to us. In addition, any of our trademarks or trade names, whether registered or unregistered, may be challenged, opposed, infringed, cancelled, circumvented or declared generic, or determined to be infringing on other marks, as applicable. We may not be able to protect our rights to these trademarks and trade names, which we will need to build name recognition by potential collaborators or customers in our markets of interest. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

Terms of our future patents may not be sufficient to effectively protect our drug candidates and business.

In many countries where we file applications for patents, the term of an issued patent is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. Although various extensions may be available, the life of a patent and the protection it affords are limited. Even if we obtain patents covering our drug candidates, we may still be open to competition from other companies, as well as generic medications once the patent life has expired for a drug. While there are patent regulations in the PRC in respect of regulatory data protection of new drugs containing new chemical components, there are currently no other clear mechanisms providing patent term extension or patent linkages for other drugs in the PRC. Therefore, it is possible that a lower-cost generic drug can emerge onto the market much more quickly. PRC regulators have set out a framework for integrating patent linkage and data exclusivity into the PRC regulatory regime, as well as for establishing a pilot program for patent term extension. This framework will require adoption of regulations to be implemented, although no such regulations have been issued to date. These factors may result in weaker protection for us against generic competition in the PRC than could be available to us in other jurisdictions, such as the United States. In addition, patents which we expect to obtain in the PRC may not be eligible to be extended for patent terms lost during clinical trials and the regulatory review process.

If we are unable to obtain patent term extensions or if such extensions are less than requested for, our competitors may obtain approval of competing products following our patent expirations and our business, financial condition, results of operations and prospects could be materially harmed as a result.

If we do not obtain additional protection under the Hatch-Waxman Amendments and similar legislation in other countries extending the terms of our patents, if issued, relating to our drug candidates, our business may be materially harmed.

Depending upon the timing, duration and specifics of FDA regulatory approval for our drug candidates, one or more of our U.S. patents, if issued, may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984 (the "Hatch-Waxman Amendments"). The Hatch-Waxman Amendments permit a patent term extension of up to five years as compensation for patent term lost during drug development and the FDA regulatory review process. Patent term extensions, however, cannot extend the remaining term of a patent beyond a total of 14 years from the date of drug approval by the FDA, and only one patent can be extended for a particular drug.

The application for patent term extension is subject to approval by the USPTO, in conjunction with the FDA. We may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain a patent term extension for a given patent or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our drug will be shortened and our competitors may obtain earlier approval of competing drugs, and our ability to generate revenues could be materially adversely affected.

Risks Related to Our Industry, Business and Operations

Our future success depends on our ability to attract, retain and motivate senior management and qualified scientific employees.

We are highly dependent on the expertise of the members of our research and development team, as well as the principal members of our management, including Dr. Jingwu Zhang Zang, M.D., Ph.D., our founder. We have entered into employment letter agreements with our executive officers, but each of them may terminate their employment with us at any time with prior written notice. In addition, we currently do not have "key-man" insurance for any of our executive officers or other key personnel.

Recruiting, retaining and motivating qualified management, scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Further, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize drugs. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous biopharmaceutical companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, our management will be required to devote significant time to new compliance initiatives from our status as a public company, which may require us to recruit more management personnel.

We will need to increase the size and capabilities of our organization, and we may experience difficulties in managing our growth.

We expect to experience significant growth in the number of our employees and consultants and the scope of our operations, particularly in the areas of clinical development, regulatory affairs and business development.

To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations, and have a material adverse effect on our business.

The data and information that we gather in our research and development process could be inaccurate or incomplete, which could harm our business, reputation, financial condition and results of operations.

We collect, aggregate, process, and analyze data and information from our pre-clinical studies, manufacturing technology development programs and clinical programs. We also engage in substantial information gathering following the identification of a promising drug candidate. Because data in the healthcare industry is fragmented in origin, inconsistent in format, and often incomplete, the overall quality of data collected or accessed in the healthcare industry is often subject to challenge, the degree or amount of data which is knowingly or unknowingly absent or omitted can be material, and we often discover data issues and errors when monitoring and auditing the quality of our data. If we make mistakes in the capture, input, or analysis of these data, our ability to advance the development of our drug candidates may be materially harmed and our business, prospects and reputation may suffer.

We also engage in the procurement of regulatory approvals necessary for the development and commercialization of our products under development, for which we manage and submit data to governmental entities. These processes and submissions are governed by complex data processing and validation policies and regulations. Notwithstanding such policies and regulations, interim, top-line or preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data, in which case we may be exposed to liability to a customer, court or government agency that concludes that our storage, handling, submission, delivery, or display of health information or other data was wrongful or erroneous. Although we maintain insurance coverage for clinical trials, this coverage may prove to be inadequate or could cease to be available to us on acceptable terms, if at all. Even unsuccessful claims could result in substantial costs and diversion of management time, attention, and resources. A claim brought against us that is uninsured or under-insured could harm our business, financial condition and results of operations.

In addition, we rely on CROs, our partners and other third parties to monitor and manage data for some of our ongoing pre-clinical and clinical programs and control only certain aspects of their activities. If any of our CROs, our partners or other third parties does not perform to our standards in terms of data accuracy or completeness, data from those pre-clinical and clinical trials may be compromised as a result, and our reliance on these parties does not relieve us of our regulatory responsibilities. For a detailed discussion, see “—Risks Related to Our Reliance on Third Parties—As we rely on third parties to conduct our pre-clinical studies and clinical trials, if we lose our relationships with these third parties or if they do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug candidates and our business could be substantially harmed” above.

We may be subject to liability lawsuits arising from our clinical trials.

We currently carry liability insurance covering our clinical trials. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or which is in excess of the limits of our insurance coverage. Our insurance policies also contain various exclusions, and we may be subject to particular liability claims for which we have no coverage. We will have to pay any amount awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to

obtain, sufficient capital to pay such amounts. In addition, if we cannot successfully defend ourselves against such claims, we may incur substantial liabilities and be required to suspend or delay our ongoing clinical trials. Even a successful defense would require significant financial and management resources.

Regardless of the merits or eventual outcome, liability claims may result in significant negative consequences to our business and prospects, including, but not limited to:

- decreased demand for our drug candidates or any resulting products;
- injury to our reputation;
- withdrawal of other clinical trial participants;
- costs to defend the related litigation;
- a diversion of our management's time and resources;
- substantial monetary awards to trial participants or patients;
- inability to commercialize our drug candidates; and
- a decline in the market price of our ADSs.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We maintain insurance policies that are required under PRC laws and regulations as well as insurance based on our assessment of our operational needs and industry practice. We also maintain liability insurance covering our clinical trials. In line with industry practice in the PRC, we have elected not to maintain certain types of insurances, such as business interruption insurance or key-man insurance. Our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

Disruptions in the financial markets and economic conditions could affect our ability to raise capital.

Global economies could suffer dramatic downturns as the result of a deterioration in the credit markets and related financial crisis as well as a variety of other factors including, extreme volatility in security prices, severely diminished liquidity and credit availability, ratings downgrades of certain investments and declining valuations of others. In the past, governments have taken unprecedented actions in an attempt to address and rectify these extreme market and economic conditions by providing liquidity and stability to the financial markets. If these actions are not successful, the return of adverse economic conditions may cause a significant impact on our ability to raise capital, if needed, on a timely basis and on acceptable terms or at all.

In addition, there is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa and over the conflicts involving Ukraine, Syria and North Korea. There have also been concerns on the relationship among China and other Asian countries, which may result in or intensify potential conflicts in relation to territorial disputes or the trade related disputes between the United States and China. In addition, the U.K. held a referendum on June 23, 2016 on its membership in the European Union, in which a majority of voters in the U.K. voted to exit the European Union (commonly referred to as "Brexit"). The U.K.'s departure from the European Union remains uncertain. Brexit could adversely affect European and worldwide economic and market conditions and could contribute to instability in global financial and foreign exchange markets. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

Our employees, independent contractors, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk of fraud, misconduct or other illegal activities by our employees, independent contractors, consultants, commercial partners and vendors. Misconduct by these parties could include intentional, reckless and negligent conduct that fails to:

- comply with the laws of the NMPA, the FDA and other comparable regulatory authorities;
- provide true, complete and accurate information to the NMPA, the FDA and other comparable regulatory authorities;
- comply with manufacturing standards we have established;
- comply with healthcare fraud and abuse laws in the PRC, the United States and similar fraudulent misconduct laws in other applicable jurisdictions; or
- report financial information or data accurately or to disclose unauthorized activities to us.

For example, our founder, Dr. Jingwu Zhang Zang, was the corresponding author of a research paper prepared by scientists at GSK China's research center and published in Nature Medicine in 2010. The paper was retracted in 2013 as a result of misrepresentation of certain data for which Dr. Zang admitted his management oversight. In addition, Dr. Zang received a warning letter from the FDA in March 1999 relating to the lack of IND approval before the initiation of a clinical research study in human subjects. For details, please see "Management—Certain Past Incidents." We cannot assure you that there will not be any inquiries, investigations or other actions against Dr. Zang by any regulatory or government authorities or any negative publicity against Dr. Zang or us regarding these incidents, any of which could distract Dr. Zang and our management's attention and negatively affect our business and results of operations.

If we obtain approval of any of our drug candidates and begin commercializing those drugs in the PRC, the United States or other applicable jurisdictions, our potential exposure under the laws of such jurisdictions will increase significantly and our costs associated with compliance with such laws are also likely to increase. These laws may impact, among other things, our current activities with principal investigators and research patients, as well as future sales, marketing and education programs. In particular, the promotion, sales and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, structuring and commission(s), certain customer incentive programs and other business arrangements generally. Activities subject to these laws also involve the improper use of information obtained in the course of patient recruitment for clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation.

It is not always possible to identify and deter misconduct by employees and other parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

If we engage in future acquisitions or strategic partnerships, this may increase our capital requirements, dilute the value of your investment in our ADSs, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

We may evaluate various acquisitions and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. Any potential acquisition or strategic partnership may entail numerous risks, including, but not limited to:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the assimilation of operations, corporate culture and personnel of the acquired business;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and its existing drugs or drug candidates and regulatory approvals;
- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs; and
- changes in accounting principles relating to recognition and measurement of our investments that may have a significant impact on our financial results.

In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense. Moreover, we may not be able to locate suitable acquisition opportunities and this inability could impair our ability to grow or obtain access to technology or products that may be important to the development of our business.

If we fail to comply with applicable anti-bribery laws, our reputation may be harmed and we could be subject to penalties and significant expenses that have a material adverse effect on our business, financial condition and results of operations.

We are subject to anti-bribery laws in China that generally prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing any other improper advantage. In addition, although currently our primary operating business is in China, we are subject to the Foreign Corrupt Practices Act (the "FCPA"). The FCPA generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Although we have policies and procedures designed to ensure that we, our employees and our agents comply with anti-bribery laws, there is no assurance that such policies or procedures will prevent our agents, employees and intermediaries from engaging in bribery activities. Failure to comply with anti-bribery laws could disrupt our business and lead to severe criminal and civil penalties, including imprisonment, criminal and civil fines, loss of our export licenses, suspension of our ability to do business with the government, denial of government reimbursement for our products and/or exclusion from participation in government healthcare programs. Other remedial measures could

include further changes or enhancements to our procedures, policies, and controls and potential personnel changes and/or disciplinary actions, any of which could have a material adverse effect on our business, financial condition, results of operations and liquidity. We could also be adversely affected by any allegation that we violated such laws.

Any failure to comply with applicable regulations and industry standards or obtain various licenses and permits could harm our reputation and our business, results of operations and prospects.

A number of governmental agencies or industry regulatory bodies in the PRC, the United States and other applicable jurisdictions impose strict rules, regulations and industry standards governing biopharmaceutical research and development activities, which apply to us. Our or our CROs' failure to comply with such regulations could result in the termination of ongoing research, administrative penalties imposed by regulatory bodies or the disqualification of data for submission to regulatory authorities. This could harm our business, reputation, prospects for future work and results of operations. For example, if we or our CROs were to treat research animals inhumanely or in violation of international standards set out by the Association for Assessment and Accreditation of Laboratory Animal Care, it could revoke any such accreditation and the accuracy of our animal research data could be questioned.

If we or our CROs or other contractors or consultants fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.

We and third parties, such as our CROs or other contractors or consultants, are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and radioactive and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of or exposure to hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage, use or disposal of biological, hazardous or radioactive materials.

In addition, we may be required to incur substantial costs to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

If we face allegations of non-compliance with laws and encounter sanctions, our reputation, revenues and liquidity may suffer, and our drug candidates and future drugs could be subject to restrictions or withdrawal from the market.

Any government investigation of alleged violations of laws could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenues from our drugs. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected. Additionally, if we are unable to generate revenues from our

product sales, our potential for achieving profitability will be diminished and the capital necessary to fund our operations will be increased.

Our internal computer systems, or those used by our CROs or other contractors or consultants, may fail or suffer security breaches.

Although to our knowledge we have not experienced any material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we partially rely on our third-party research institution collaborators for research and development of our drug candidates and other third parties for the manufacture of our drug candidates and to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business.

To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our drug candidates could be delayed.

Failure to comply with existing or future laws and regulations related to privacy or data security could lead to government enforcement actions, which could include civil or criminal fines or penalties, private litigation, other liabilities, and/or adverse publicity. Compliance or the failure to comply with such laws could increase the costs of our products and services, could limit their use or adoption, and could otherwise negatively affect our operating results and business.

The regulatory framework for the collection, use, safeguarding, sharing, transfer and other processing of personal information worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Regulatory authorities in virtually every jurisdiction in which we operate have implemented and are considering a number of legislative and regulatory proposals concerning personal data protection.

Regulatory authorities in China have implemented and are considering a number of legislative and regulatory proposals concerning data protection. For example, China's Cyber Security Law, which became effective in June 2017, created China's first national-level data protection for "network operators," which may include all organizations in China that provide services over the internet or another information network. Numerous regulations, guidelines and other measures are expected to be adopted under the umbrella of the Cyber Security Law. Drafts of some of these measures have now been published, including the draft rules on cross-border transfers published by the China Cyberspace Administration in 2017, which may, upon enactment, require security review before transferring human health-related data out of China. In addition, certain industry-specific laws and regulations affect the collection and transfer of personal data in China. For example, the PRC State Council promulgated Regulations on the Administration of Human Genetic Resources in May 2019 and will become effective in July 2019, which require approval from the Science and Technology Administration Department of the State Council where human genetic resources, or HGR, are involved in any international collaborative project and additional approval for any export or cross-border transfer of the HGR samples or associated data. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices, potentially resulting in confiscation of HGR samples and associated data and administrative fines. In addition, the interpretation and application of data protection laws in China and elsewhere are often uncertain and in flux.

In the United States, we are subject to laws and regulations that address privacy, personal information protection and data security at both the federal and state levels. Numerous laws and regulations, including security breach notification laws, health information privacy laws, and consumer protection laws, govern the collection, use, disclosure and protection of health-related and other personal information. Given the variability

and evolving state of these laws, we face uncertainty as to the exact interpretation of the new requirements, and we may be unsuccessful in implementing all measures required by regulators or courts in their interpretation.

Regulatory authorities in Europe have implemented and are considering a number of legislative and regulatory proposals concerning data protection. For example, the General Data Protection Regulation (EU) 2016/679, or GDPR, which became effective in May 2018, imposes a broad range of strict requirements on companies subject to the GDPR, such as us, including, but not limited to, requirements relating to having legal bases for processing personal information relating to identifiable individuals and transferring such information outside the European Economic Area (including to the United States), providing details to those individuals regarding the processing of their personal information, keeping personal information secure, having data processing agreements with third parties who process personal information, responding to individuals' requests to exercise their rights in respect of their personal information, reporting security breaches involving personal data to the competent national data protection authority and affected individuals, and recordkeeping. The GDPR substantially increases the penalties to which we could be subject in the event of any non-compliance, including fines of up to 10,000,000 Euros or up to 2% of our total worldwide annual turnover for certain comparatively minor offenses, or up to 20,000,000 Euros or up to 4% of our total worldwide annual turnover for more serious offenses. Given the new law, we face uncertainty as to the exact interpretation of the new requirements, and we may be unsuccessful in implementing all measures required by data protection authorities or courts in interpretation of the new law. National laws of member states of the European Union are in the process of being adapted to the requirements under the GDPR. Because the GDPR specifically gives member states flexibility with respect to certain matters, national laws may partially deviate from the GDPR and impose different obligations from country to country, leading to additional complexity and uncertainty.

We expect that we will continue to face uncertainty as to whether our efforts to comply with evolving obligations under global data protection, privacy and security laws will be sufficient. Any failure or perceived failure by us to comply with applicable laws and regulations could result in reputational damage or proceedings or actions against us by governmental entities, individuals or others. These proceedings or actions could subject us to significant civil or criminal penalties and negative publicity, result in the delayed or halted transfer or confiscation of certain personal information, require us to change our business practices, increase our costs and materially harm our business, prospects, financial condition and results of operations. In addition, our current and future relationships with customers, vendors, pharmaceutical partners and other third parties could be negatively affected by any proceedings or actions against us or current or future data protection obligations imposed on them under applicable law, including the GDPR. In addition, a data breach affecting personal information, including health information, could result in significant legal and financial exposure and reputational damage that could potentially have an adverse effect on our business.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Natural disasters, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under the threat of floods, earthquakes, sandstorms, snowstorms, fire or drought, power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or may be susceptible to potential wars or terrorist attacks. Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of these factors and other factors beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial conditions and results of operations.

We have identified two material weaknesses in our internal controls, and if we fail to implement and maintain an effective system of internal controls to remediate our material weaknesses over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud.

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal controls. In the course of auditing our consolidated financial statements, we and our independent registered public accounting firm identified two material weaknesses and control deficiencies in our internal control over financial reporting. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses that have been identified relate to (i) our lack of sufficient and competent financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and the reporting and compliance requirements of the United States Securities and Exchange Commission, or the SEC, to formalize key controls over financial reporting and to prepare consolidated financial statements and related disclosures; and (ii) our lack of sufficient documented financial closing policies and procedures, specifically those related to (a) accounting for licensing and collaboration agreements and (b) period end expenses cut-off and accruals. These material weaknesses, if not timely remedied, may lead to significant misstatements in our consolidated financial statements in the future. Following the identification of the material weaknesses and other control deficiencies, we have taken measures and plan to continue to take measures to remediate these deficiencies. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Internal Control over Financial Reporting." However, the implementation of those measures may not fully remediate the material weaknesses in a timely manner. Our failure to correct these deficiencies or our failure to discover and address any other deficiencies could result in inaccuracies in our financial statements and impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. Moreover, ineffective internal control over financial reporting could significantly hinder our ability to prevent fraud.

Upon the completion of this offering, we will become subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act, or Section 404, requires that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2020. In addition, once we cease to be an "emerging growth company" as defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue an adverse report if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, once we have become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. If we fail to establish and maintain adequate internal controls, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could limit our access to capital markets,

adversely affect our results of operations and lead to a decline in the trading price of the ADSs. Additionally, ineffective internal controls could expose us to an increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list or to other regulatory investigations and civil or criminal sanctions. We could also be required to restate our historical financial statements.

Our auditor, like other independent registered public accounting firms operating in China, is not permitted to be subject to inspection by Public Company Accounting Oversight Board, and consequently investors may be deprived of the benefits of such inspection.

Our auditor, the independent registered public accounting firm that issued the audit report included elsewhere in this registration statement, as an auditor of companies that are traded publicly in the United States and a firm registered with the Public Company Accounting Oversight Board (United States), or PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with applicable professional standards. Our auditor is located in, and organized under the laws of, the PRC, which is a jurisdiction where the PCAOB, has been unable to conduct inspections without the approval of the Chinese authorities. In May 2013, PCAOB announced that it had entered into a Memorandum of Understanding on Enforcement Cooperation with the CSRC and the PRC Ministry of Finance, which establishes a cooperative framework between the parties for the production and exchange of audit documents relevant to investigations undertaken by PCAOB, the CSRC or the PRC Ministry of Finance in the United States and the PRC, respectively. PCAOB continues to be in discussions with the China Securities Regulatory Commission, or CSRC, and the PRC Ministry of Finance to permit joint inspections in China of audit firms that are registered with PCAOB and audit Chinese companies that trade on U.S. exchanges.

On December 7, 2018, the SEC and the PCAOB issued a joint statement highlighting continued challenges faced by the U.S. regulators in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. However, it remains unclear what further actions, if any, the SEC and PCAOB will take to address the problem.

This lack of PCAOB inspections in China prevents the PCAOB from fully evaluating audits and quality control procedures of our independent registered public accounting firm. As a result, we and investors in our ordinary shares are deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to PCAOB inspections, which could cause investors and potential investors in our stock to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Proceedings instituted by the SEC against "big four" PRC-based accounting firms, including our independent registered public accounting firm, could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act.

Starting in 2011 "big four" PRC-based accounting firms, including our independent registered public accounting firm, were affected by a conflict between U.S. and Chinese law. Specifically, for certain U.S.-listed companies operating and audited in mainland China, the SEC and the PCAOB sought to obtain from the Chinese firms access to their audit work papers and related documents. The firms were, however, advised and directed that under Chinese law, they could not respond directly to the U.S. regulators on those requests, and that requests by foreign regulators for access to such papers in China had to be channeled through the CSRC.

In late 2012, this impasse led the SEC to commence administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act of 2002 against the Chinese accounting firms, including our independent registered public accounting firm. A first instance trial of the proceedings in July 2013 in the SEC's internal administrative court resulted in an adverse judgment against the firms. The administrative law

judge proposed penalties on the firms including a temporary suspension of their right to practice before the SEC, although that proposed penalty did not take effect pending review by the Commissioners of the SEC. On February 6, 2015, before a review by the Commissioner had taken place, the firms reached a settlement with the SEC. Under the settlement, the SEC accepted that future requests by the SEC for the production of documents will normally be made to the CSRC. The firms were to receive matching Section 106 requests, and were required to abide by a detailed set of procedures with respect to such requests, which in substance require them to facilitate production via the CSRC. If they failed to meet specified criteria, the SEC retained authority to impose a variety of additional remedial measures on the firms depending on the nature of the failure.

Under the terms of the settlement, the underlying proceeding against the four China-based accounting firms was deemed dismissed with prejudice four years after entry of the settlement. The four-year mark occurred on February 6, 2019. While we cannot predict if the SEC will further challenge the four China-based accounting firms' compliance with U.S. law in connection with U.S. regulatory requests for audit work papers or if the results of such a challenge would result in the SEC imposing penalties such as suspensions. If additional remedial measures are imposed on the "big four" PRC-based accounting firms, including our independent registered public accounting firm, we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act.

In the event the "big four" PRC-based accounting firms become subject to additional legal challenges by the SEC or PCAOB, depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in China, which could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act, including possible delisting. Moreover, any negative news about any such future proceedings against these audit firms may cause investor uncertainty regarding China-based, U.S.-listed companies and the market price of our common stock may be adversely affected.

If our independent registered public accounting firm was denied, even temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined not to be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to the delisting of the ADSs from [the Nasdaq Global Market] or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of the ADSs in the United States.

Our reputation is important to our business success. Negative publicity may adversely affect our reputation and business prospects.

Any negative publicity concerning us, our affiliates or any entity that shares the "I-Mab" name, even if untrue, could adversely affect our reputation and business prospects. There can be no assurance that negative publicity about us or any of our affiliates or any entity that shares the "I-Mab" name would not damage our brand image or have a material adverse effect on our business, results of operations and financial condition.

Negative publicity with respect to us, our management, employees, business partners, affiliates, or our industry, may materially and adversely affect our reputation, business, results of operations and prospect.

Our reputation is vulnerable to many threats that can be difficult or impossible to control, and costly or impossible to remediate. Negative publicity about us, such as alleged misconduct or improper activities, or negative rumors relating to us, our management, employees, business partners or affiliates, can harm our business and results of operations, even if they are unsubstantiated or are satisfactorily addressed. For example, a number of media reported that our founder, Dr. Jingwu Zhang Zang, was involved in misrepresentation of certain data in a research paper prepared by scientists at GSK China's research center and published in Nature Medicine in 2010, for which Dr. Zang was the corresponding author, and consequently Dr. Zang was dismissed by GSK in 2013. In addition, Dr. Zang received a warning letter from the FDA in March 1999 relating to the lack of IND

approval before the initiation of a clinical research study in human subjects. For details, please see "Management—Certain Past Incidents." To the best of our knowledge, Dr. Zang was not and is not subject to any legal or regulatory charges, proceedings or disciplinary actions in connection with these incidents. However, we cannot assure you that there will not be any inquiries, investigations or other actions against Dr. Zang by any regulatory or government authorities in the future. Any regulatory inquiries or investigations or other actions against Dr. Zang or our other management, any perceived unethical, fraudulent, or inappropriate business conduct by us or perceived wrong doing by any key member of our management team or other employees, our business partners or our affiliates, could harm our reputation and materially adversely affect our business. Regardless of the merits or final outcome of any such regulatory inquiries or investigations or other actions, our reputation may be substantially damaged, which may impede our ability to attract and retain talents and business partners and grow our business.

Moreover, any negative media publicity about the biopharmaceutical industry in general or product or service quality problems of other companies in the industry, including our peers, may also negatively impact our reputation. If we are unable to maintain a good reputation, our ability to attract and retain key employees and business partners could be harmed which in turn may materially and adversely affect our business, results of operations and prospect.

Change in business prospects of acquisitions may result in impairment to our goodwill, which could negatively affect our reported results of operations.

We acquired a controlling interest in I-Mab Tianjin in July 2017 and the remaining interest in I-Mab Tianjin in May 2018. In connection with our acquisition of I-Mab Tianjin, we identified RMB148.8 million of intangible assets and RMB162.6 million of goodwill of I-Mab Tianjin attributable to core technology and synergy effects expected from combining the operation of the discovery and development of innovative biologics and the development of clinical stage biologics. We are required to test our goodwill annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. An impairment loss of goodwill is recognized for the amount by which the relevant cash-generating unit's or group of cash-generating unit's carrying amount exceeds its recoverable amount, and we would be required to write down the carrying value of our goodwill during the period in which it is determined to be impaired, which would materially and adversely affect our results of operations.

We are subject to changing law and regulations regarding regulatory matters, corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are or will be subject to rules and regulations by various governing bodies, including, for example, once we have become a public company, the SEC, which is charged with the protection of investors and the oversight of companies whose securities are publicly traded, and the various regulatory authorities in China and the Cayman Islands, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

Risks Related to Doing Business in China

The pharmaceutical industry in China is highly regulated and such regulations are subject to change which may affect approval and commercialization of our drugs.

Our research and development operations and manufacturing facilities are in China, which we believe confers clinical, commercial and regulatory advantages. The pharmaceutical industry in China is subject to comprehensive government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new drugs. See "Regulation" for a discussion of the regulatory requirements that are applicable to our current and planned business activities in China. In recent years, the regulatory framework in China regarding the pharmaceutical industry has undergone significant changes, and we expect that it will continue to undergo significant changes. Any such changes or amendments may result in increased compliance costs on our business or cause delays in or prevent the successful development or commercialization of our drug candidates in China and reduce the current benefits we believe are available to us from developing and manufacturing drugs in China. PRC authorities have become increasingly vigilant in enforcing laws in the pharmaceutical industry and any failure by us or our partners to maintain compliance with applicable laws and regulations or obtain and maintain required licenses and permits may result in the suspension or termination of our business activities in China. We believe our strategy and approach are aligned with the PRC government's regulatory policies, but we cannot ensure that our strategy and approach will continue to be aligned.

Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.

A significant portion of our operations are in China. Our financial condition and results of operations are affected to a large extent by economic, political and legal developments in China.

The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the PRC government continues to play a significant role in regulating industrial development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth in the past four decades, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on us. Our business, financial condition and results of operations could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to us.

In addition, the PRC government had, in the past, implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our business and results of operations. More generally, if the business environment in China deteriorates from the perspective of domestic or international investment, our business in China may also be adversely affected.

There are uncertainties regarding the interpretation and enforcement of PRC laws, rules and regulations.

Our primary business is governed by PRC laws and regulations. Our primary business operation is supervised by relevant regulatory authorities in China. The PRC legal system is a civil law system based on written statutes and, unlike the common law system, prior court decisions can only be cited as reference and have limited precedential value. Additionally, written statutes in the PRC are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. Since 1979, the PRC government has developed a comprehensive system of laws, rules and regulations in relation to economic matters, such as foreign investment, corporate organization and governance, commerce, taxation and trade. However, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and may not be as consistent or predictable as in other more developed jurisdictions. As these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation of PRC laws and regulations may not be definitive. Moreover, we cannot predict the effect of future developments in the PRC legal system and regulatory structure. Such unpredictability towards our contractual, property and procedural rights as well as our rights licensed, approved or granted by the competent regulatory authority could adversely affect our business and impede our ability to continue our operations. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis, if at all, and which may have a retroactive effect. Hence, we may not be aware of violation of these policies and rules until after such violation has occurred. Further, the legal protections available to us and our investors under these laws, rules and regulations may be limited.

In addition, any administrative or court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may impede our ability to enforce various contracts we have entered into and could materially and adversely affect our business, financial condition and results of operations.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management named in the prospectus based on foreign laws.

We are a company incorporated under the laws of the Cayman Islands, we conduct substantially all of our operations in China and substantially all of our assets are located in China. In addition, all our senior executive officers reside within China for a significant portion of the time and some of them are PRC nationals. As a result, it may be difficult for you to effect service of process upon us or those persons inside China. It may also be difficult for you to enforce in U.S. courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors as none of them currently resides in the United States or has substantial assets located in the United States. In addition, there is uncertainty as to whether the courts of the Cayman Islands or the PRC would recognize or enforce judgments of U.S. courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state.

The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other forms of written arrangement with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, the PRC courts will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC laws or national sovereignty, security or the public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States.

We may be restricted from transferring our scientific data abroad.

On March 17, 2018, the General Office of the PRC State Council promulgated the Measures for the Management of Scientific Data, or the Scientific Data Measures, which provide a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded, at least in part, by the PRC government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. Currently, as the term "state secret" is not clearly defined, there is no assurance that we can always obtain relevant approvals for sending scientific data (such as the results of our pre-clinical studies or clinical trials conducted within China) abroad, or to our foreign partners in China.

If we are unable to obtain the necessary approvals in a timely manner, or at all, our research and development of drug candidates may be hindered, which may materially and adversely affect our business, results of operations, financial conditions and prospects. If relevant government authorities consider the transmission of our scientific data to be in violation of the requirements under the Scientific Data Measures, we may be subject to specific administrative penalties imposed by those government authorities.

Changes in U.S. and international trade policies, particularly with regard to China, may adversely impact our business and operating results.

The U.S. government has recently made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies, including imposing several rounds of tariffs affecting certain products manufactured in China. In March 2018, U.S. President Donald J. Trump announced the imposition of tariffs on steel and aluminum entering the United States and in June 2018 announced further tariffs targeting goods imported from China. Recently both China and the U.S. have each imposed tariffs indicating the potential for further trade barriers. It is unknown whether and to what extent new tariffs (or other new laws or regulations) will be adopted, or the effect that any such actions would have on us or our industry. While we have not started commercialization of drug candidates, any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our drug products, the competitive position of our drug products, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to drug development, or prevent us from selling our drug products in certain countries. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if the U.S. government takes retaliatory trade actions due to the recent U.S.-China trade tension, such changes could have an adverse effect on our business, financial condition and results of operations.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with "de facto management body" within China is considered a "resident enterprise" and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the SAT issued the Circular of the State Administration of Taxation on Issues Relating to Identification of PRC-Controlled Overseas Registered Enterprises as Resident Enterprises in Accordance With the De Facto Standards of Organizational Management, or Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this Circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" text should be applied in determining the tax resident

status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in China; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in China; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in China; and (iv) at least 50% of voting board members or senior executives habitually reside in China.

Our PRC counsel, JunHe LLP, has advised us that, based on its understanding of the current PRC Laws and Regulations, I-Mab should not be considered as a PRC resident enterprise for PRC tax income purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we could be subject to PRC tax at a rate of 25% on our worldwide income, which could materially reduce our net income, and we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises (including the holders of our ADSs). In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within China. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to our non-PRC individual shareholders (including our ADS holders) and any gain realized on the transfer of ADSs or ordinary shares by such shareholders may be subject to PRC tax at a rate of 10% in the case of non-PRC enterprises or a rate of 20% in the case of non-PRC individuals unless a reduced rate is available under an applicable tax treaty. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the ADSs or ordinary shares.

Failure to renew our current leases or locate desirable alternatives for our leased properties could materially and adversely affect our business.

We lease properties for our offices and laboratories. We may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in significant relocation expenses, which could adversely affect our business, financial condition and results of operations. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, rental payments may significantly increase as a result of the high demand for the leased properties. In addition, we may not be able to locate desirable alternative sites for our current leased properties as our business continues to grow and failure in relocating our affected operations could adversely affect our business and operations.

Certain of our leasehold interests in leased properties have not been registered with the relevant PRC governmental authorities as required by relevant PRC laws. The failure to register leasehold interests may expose us to potential fines.

We have not registered certain of our lease agreements with the relevant government authorities. Under the relevant PRC laws and regulations, we may be required to register and file with the relevant government authority executed leases. The failure to register the lease agreements for our leased properties will not affect the validity of these lease agreements, but the competent housing authorities may order us to register the lease agreements in a prescribed period of time and impose a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to complete the registration within the prescribed timeframe.

We have granted, and may continue to grant, options and other types of awards under our share incentive plans, which may result in increased share-based compensation expenses.

We have adopted an Amended and Restated 2017 Employee Stock Option Plan (the "2017 Plan") and a 2018 Employee Stock Option Plan (the "2018 Plan"), for the purpose of granting share-based compensation awards to employees, directors and consultants to incentivize their performance and align their interests with ours. We recognize expenses in our consolidated financial statements in accordance with U.S. GAAP. As of the date of this prospectus, options to purchase a total of 9,879,381 ordinary shares and 13,536,588 ordinary shares have been granted and outstanding under the 2017 Plan and 2018 Plan, respectively. See "Management—Share Incentive Plans."

We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations. We may re-evaluate the vesting schedules, lock-up period, exercise price or other key terms applicable to the grants under our currently effective share incentive plans from time to time. If we choose to do so, we may experience substantial change in our share-based compensation charges in the reporting periods following this offering.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The value of RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions in China and by China's foreign exchange policies. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of RMB to the U.S. dollar, and RMB appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between RMB and the U.S. dollar remained within a narrow band. Since June 2010, RMB has fluctuated against the U.S. dollar, at times significantly and unpredictably. On November 30, 2015, the Executive Board of the International Monetary Fund completed the regular five-year review of the basket of currencies that make up the Special Drawing Right, or the SDR, and decided that with effect from October 1, 2016, RMB is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, RMB has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. This depreciation halted in 2017, and RMB appreciated approximately 7% against the U.S. dollar during this one-year period. With the development of the foreign exchange market and progress towards interest rate liberalization and RMB internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that RMB will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between RMB and the U.S. dollar in the future.

Significant revaluation of RMB may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars we receive from this offering into RMB for our operations, appreciation of RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert our RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against RMB would have a negative effect on the U.S. dollar amount available to us.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all.

In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert RMB into foreign currency.

In addition, the PRC government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in RMB. Under our current corporate structure, our Cayman Islands holding company primarily relies on dividend payments from our PRC subsidiary to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of SAFE, cash generated from the operations of our PRC subsidiaries in China may be used to pay dividends to our company. However, approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval to use cash generated from the operations of our PRC subsidiaries to pay off their respective debt in a currency other than RMB owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than RMB. In light of the flood of capital outflows of China, the PRC government may from time to time impose more restrictive foreign exchange policies and step up scrutiny of major outbound capital movement. More restrictions and a substantial vetting process may be required by SAFE or other government authorities to regulate cross-border transactions falling under the capital account. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.

Certain PRC regulations may make it more difficult for us to pursue growth through acquisitions.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. Such regulation requires, among other things, that the Ministry of Commerce, or MOFCOM, be notified in advance of any change of control transaction in which a foreign investor acquires control of a PRC domestic enterprise and involves any of the following circumstances: (i) any important industry is concerned; (ii) such transaction involves factors that impact or may impact national economic security; or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. We do not expect that this offering will trigger MOFCOM pre-notification under each of the above-mentioned circumstances or any review by other PRC government authorities, except as disclosed below in "—The approval of the CSRC may be required in connection with this offering, and, if required, we cannot predict whether we will be able to obtain such approval." Moreover, the Anti-Monopoly Law promulgated by the Standing Committee of National People's Congress which became effective in 2008 requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by State Administration for Market Regulation (the "SAMR"), the successive authority of MOFCOM, before they can be completed.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a Cayman Islands holding company and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If any of our PRC subsidiaries incur debt on its own behalf in the future, the instruments governing the debt may restrict their

ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiaries, each of which is a wholly foreign-owned enterprise may pay dividends only out of its respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. At its discretion, a wholly foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to a staff welfare and bonus fund. The reserve fund and staff welfare and bonus fund cannot be distributed to us as dividends.

Our PRC subsidiaries generate primarily all of their revenue in RMB, which is not freely convertible into other currencies. As result, any restriction on currency exchange may limit the ability of our PRC subsidiaries to use their RMB revenues to pay dividends to us.

The PRC government may continue to strengthen its capital controls, and more restrictions and a substantial vetting process may be put forward by SAFE for cross-border transactions falling under both the current account and the capital account. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

In addition, the PRC Enterprise Income Tax Law and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by PRC companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated.

PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiaries' ability to change their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC laws.

In July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles, or SAFE Circular 37. SAFE Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities as well as foreign individuals that are deemed as PRC residents for foreign exchange administration purpose) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. SAFE Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as changes of a PRC individual shareholder, name and operation term, or any significant changes with respect to the offshore special purpose vehicle, such as increase or decrease of capital contribution, share transfer or exchange, or mergers or divisions. SAFE Circular 37 is applicable to our shareholders who are PRC residents. If our shareholders who are PRC residents fail to make the required registration or to update the previously filed registration, our PRC subsidiaries may be prohibited from distributing their profits or the proceeds from any capital reduction, share transfer or liquidation to us, and we may also be prohibited from making additional capital contributions into our PRC subsidiaries.

In February 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Notice 13, effective June 2015. Under SAFE Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under SAFE Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE.

All of our shareholders who we are aware of being subject to the SAFE regulations have completed the initial registrations with the local SAFE branch or qualified banks as required by SAFE Circular 37. However,

we may not be informed of the identities of all the PRC residents holding direct or indirect interests in our company, and we cannot provide any assurance that these PRC residents will comply with our request to make or obtain any applicable registrations or continuously comply with all requirements under SAFE Circular 37 or other related rules. The failure or inability of the relevant shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions, such as restrictions on our cross-border investment activities, on the ability of our wholly foreign-owned subsidiaries in China to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits could be materially and adversely affected.

Any failure to comply with PRC regulations regarding our employee equity incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

We and our directors, executive officers and other employees who are PRC citizens or who have resided in China for a continuous period of not less than one year and who will be granted restricted shares or options are subject to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, issued by SAFE in February 2012, according to which, employees, directors, supervisors and other management members participating in any share incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to limited exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. In addition, an overseas entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to make payments under our equity incentive plans or receive dividends or sales proceeds related thereto, or our ability to contribute additional capital into our wholly foreign-owned enterprises in China and limit our wholly foreign-owned enterprises' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional equity incentive plans for our directors and employees under PRC law.

In addition, the SAT has issued circulars concerning employee share options or restricted shares. Under these circulars, employees working in China who exercise share options, or whose restricted shares vest, will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees related to their share options or restricted shares. If the employees fail to pay, or the PRC subsidiaries fail to withhold applicable income taxes, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to our PRC subsidiaries in China, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiaries. We may make loans to our PRC subsidiaries subject to the approval from governmental authorities and limitation on the available loan amount, or we may make additional capital contributions to our wholly foreign-owned subsidiaries in China.

Any loans to our wholly foreign-owned subsidiaries in China, which are treated as foreign-invested enterprises under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our wholly foreign-owned subsidiaries in China to finance their activities cannot exceed statutory

limits and must be registered with the local counterpart of SAFE. In addition, a foreign-invested enterprise shall use its capital pursuant to the principle of authenticity and self-use within its business scope. The capital of a foreign-invested enterprise shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments other than banks' principal-secured products unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises, or SAFE Circular 19, effective June 2015, in replacement of the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, the Notice from the State Administration of Foreign Exchange on Relevant Issues Concerning Strengthening the Administration of Foreign Exchange Businesses, and the Circular on Further Clarification and Regulation of the Issues Concerning the Administration of Certain Capital Account Foreign Exchange Businesses. According to SAFE Circular 19, the flow and use of RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans, the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third party. Although SAFE Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within China, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in China in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account, or SAFE Circular 16, effective on June 9, 2016, which reiterates some of the rules set forth in SAFE Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of SAFE Circular 19 and SAFE Circular 16 could result in administrative penalties. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from this offering, to our PRC subsidiaries, which may adversely affect our liquidity and our ability to fund and expand our business in China.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC subsidiaries or future capital contributions by us to our wholly foreign-owned subsidiaries in China. As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC subsidiaries when needed. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we expect to receive from this offering and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We and our shareholders face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributable to a PRC establishment of a non-PRC company.

On February 3, 2015, the SAT issued the Bulletin on Issues of Enterprise Income Tax and Indirect Transfers of Assets by Non-PRC Resident Enterprises, or Bulletin 7. Pursuant to this Bulletin, an "indirect transfer" of "PRC taxable assets," including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be recharacterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise

income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, factors to be taken into consideration include: whether the main value of the equity interest of the relevant offshore enterprise derives from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consist of direct or indirect investment in China or if its income mainly derives from China; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the business model and organizational structure; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements. On October 17, 2017, the SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or Bulletin 37, which came into effect on December 1, 2017. Bulletin 37 further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

Late payment of applicable tax will subject the transferor to default interest. Gains derived from the sale of shares by investors are not subject to the PRC enterprise income tax pursuant to Bulletin 7 where such shares were acquired in a transaction through a public stock exchange. However, the sale of ADSs or ordinary shares by a non-PRC resident enterprise outside a public stock exchange may be subject to PRC enterprise income tax under Bulletin 7.

There are uncertainties as to the application of Bulletin 7. Bulletin 7 may be determined by the tax authorities to be applicable to the sale of the shares of our offshore subsidiaries or investments where PRC taxable assets are involved. The transferors and transferees may be subject to the tax filing and withholding or tax payment obligation, while our PRC subsidiaries may be requested to assist in the filing. Furthermore, we, our non-resident enterprises and PRC subsidiaries may be required to spend valuable resources to comply with Bulletin 7 or to establish that we and our non-resident enterprises should not be taxed under Bulletin 7, for our previous and future restructuring or disposal of shares of our offshore subsidiaries, which may have a material adverse effect on our financial condition and results of operations.

The PRC tax authorities have the discretion under Bulletin 7 to make adjustments to the taxable capital gains based on the difference between the fair value of the taxable assets transferred and the cost of investment. If the PRC tax authorities make adjustments to the taxable income of the transactions under Bulletin 7 / Bulletin 37, our income tax costs associated with such potential acquisitions or disposals will increase, which may have an adverse effect on our financial condition and results of operations.

The approval of the CSRC may be required in connection with this offering, and, if required, we cannot predict whether we will be able to obtain such approval.

The M&A Rules require overseas special purpose vehicles that are controlled by PRC companies or individuals and formed for the purpose of seeking a public listing on an overseas stock exchange through acquisitions of PRC domestic companies using shares of such special purpose vehicles or held by its shareholders as consideration to obtain the approval of the CSRC, prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. However, the application of the M&A Rules remains unclear. If CSRC approval is required, it is uncertain whether it would be possible for us to obtain the approval, and any failure to obtain or delay in obtaining CSRC approval for this offering would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies.

Our PRC counsel has advised us based on their understanding of the current PRC laws, rules and regulations that the CSRC's approval may not be required for the listing and trading of our ADSs on the [Nasdaq Stock Market] in the context of this offering, given that: (i) the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours in this prospectus are subject to this regulation, (ii) I-Mab Tianjin was not acquired by a connected merger or by acquisition of equity interest or assets of a PRC domestic

company owned by PRC companies or individuals as defined under the M&A Rules and (iii) I-Mab Shanghai was incorporated as a wholly foreign-owned enterprise by means of direct investment.

However, our PRC counsel has further advised us that there remain some uncertainties as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering and its opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules. We cannot assure you that relevant PRC government agencies, including the CSRC, would reach the same conclusion as we do. If it is determined that CSRC approval is required for this offering, we may face sanctions by the CSRC or other PRC regulatory agencies for failure to seek CSRC approval for this offering. These sanctions may include fines and penalties on our operations in China, limitations on our operating privileges in China, delays in or restrictions on the repatriation of the proceeds from this offering into the PRC, restrictions on or prohibition of the payments or remittance of dividends by our subsidiaries in China, or other actions that could have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs. The CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable for us, to halt this offering before the settlement and delivery of the ADSs that we are offering. Consequently, if you engage in market trading or other activities in anticipation of and prior to the settlement and delivery of the ADSs we are offering, you would be doing so at the risk that the settlement and delivery may not occur. In addition, if the CSRC or other regulatory agencies later promulgate new rules or explanations requiring that we obtain their approvals for this offering, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver.

Recent litigation and negative publicity surrounding China-based companies listed in the U.S. may result in increased regulatory scrutiny of us and negatively impact the trading price of the ADSs and could have a material adverse effect upon our business, including our results of operations, financial condition, cash flows and prospects.

We believe that litigation and negative publicity surrounding companies with operations in China that are listed in the U.S. have negatively impacted stock prices for such companies. Various equity-based research organizations have published reports on China-based companies after examining, among other things, their corporate governance practices, related party transactions, sales practices and financial statements that have led to special investigations and stock suspensions on national exchanges. Any similar scrutiny of us, regardless of its lack of merit, could result in a diversion of management resources and energy, potential costs to defend ourselves against rumors, decreases and volatility in the ADS trading price, and increased directors and officers insurance premiums and could have a material adverse effect upon our business, including our results of operations, financial condition, cash flows and prospects.

Risks Related to Our ADSs and This Offering

There has been no public market for our shares or ADSs prior to this offering, and you may not be able to resell our ADSs at or above the price you paid, or at all.

Prior to this initial public offering, there has been no public market for our shares or ADSs. We will apply to list our ADSs on the [Nasdaq Stock Market]. Our shares will not be listed on any exchange or quoted for trading on any over-the-counter trading system. If an active trading market for our ADSs does not develop after this offering, the market price and liquidity of our ADSs will be materially and adversely affected.

Negotiations with the underwriters will determine the initial public offering price for our ADSs which may bear no relationship to their market price after the initial public offering. We cannot assure you that an active trading market for our ADSs will develop or that the market price of our ADSs will not decline below the initial public offering price.

The trading price of our ADSs may be volatile, which could result in substantial losses to you.

The trading price of our ADSs can be volatile and fluctuate widely in response to a variety of factors, many of which are beyond our control. In addition, the performance and fluctuation of the market prices of other companies with business operations located mainly in the PRC that have listed their securities in the United States may affect the volatility in the price of and trading volumes for our ADSs. Some of these companies have experienced significant volatility. The trading performances of these PRC companies' securities may affect the overall investor sentiment towards other PRC companies listed in the United States and consequently may impact the trading performance of our ADSs.

In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile for specific business reasons, including:

- announcements of regulatory approval or a complete response letter, or specific label indications or patient populations for a drug's use, or changes or delays in the regulatory review process;
- announcements of therapeutic innovations, new products, acquisitions, strategic relationships, joint ventures or capital commitments by us or our competitors;
- adverse actions taken by regulatory agencies with respect to our clinical trials, manufacturing supply chain or sales and marketing activities;
- any adverse changes to our relationship with manufacturers or suppliers;
- the results of our testing and clinical trials;
- the results of our efforts to acquire or license additional drug candidates;
- variations in the level of expenses related to our existing drugs and drug candidates or pre-clinical, clinical development and commercialization programs;
- any intellectual property infringement actions in which we may become involved;
- announcements concerning our competitors or the pharmaceutical industry in general;
- fluctuations in product revenue, sales and marketing expenses and profitability; manufacture, supply or distribution shortages;
- variations in our results of operations;
- announcements about our results of operations that are not in line with analyst expectations, the risk of which is enhanced because it is our policy not to give guidance on results of operations;
- publication of operating or industry metrics by third parties, including government statistical agencies, that differ from expectations of industry or financial analysts;
- changes in financial estimates by securities research analysts;
- media reports, whether or not true, about our business, our competitors or our industry;
- additions to or departures of our management;
- fluctuations of exchange rates between the RMB and the U.S. dollar;
- release or expiry of lock-up or other transfer restrictions on our outstanding ordinary shares or ADSs;
- sales or perceived potential sales of additional ordinary shares or ADSs by us, our executive officers and directors or our shareholders;
- general economic and market conditions and overall fluctuations in the U.S. equity markets;
- changes in accounting principles; and
- changes or developments in the PRC or global regulatory environment.

In addition, the stock market, in general, and pharmaceutical and biotechnology companies have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our ADSs, regardless of our actual operating performance. Further, the current volatility in the financial markets and related factors beyond our control may cause the market price of our ADSs to decline rapidly and unexpectedly.

After the completion of this offering, we may face an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company following a significant decline in the market price of its securities. This risk is especially relevant for us because biotechnology and biopharmaceutical companies have experienced significant share price volatilities in recent years. If we were to face lawsuits, it could lead to substantial costs and a distraction of management's attention and resources, which could harm our business.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, or if they adversely change their recommendations regarding our ADSs, the market price for our ADSs and trading volume could decline.

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our ADSs or publishes inaccurate or unfavorable research about our business, the market price for our ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

Because our initial public offering price is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase ADSs in this offering, you will pay more for your ADSs than the amount paid by our existing shareholders for their ordinary shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of US$ per ADS, representing the difference between the initial public offering price of US$ per ADS and our adjusted net tangible book value per ADS as of December 31, 2018, after giving effect to our sale of the ADSs offered in this offering. In addition, you may experience further dilution to the extent that our ordinary shares are issued upon the exercise of share options. See "Dilution" for a more complete description of how the value of your investment in the ADSs will be diluted upon completion of this offering.

Because we do not expect to pay dividends in the foreseeable future after this offering, you must rely on price appreciation of our ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account of the company, provided that in no circumstances may a dividend be paid out of share premium if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of

directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

Substantial future sales or perceived potential sales of our ADSs in the public market could cause the price of our ADSs to decline.

Sales of our ADSs in the public market after this offering, or the perception that these sales could occur, could cause the market price of our ADSs to decline. Upon completion of this offering, we will have ordinary shares issued and outstanding, including ordinary shares represented by ADSs, assuming the underwriters do not exercise their over-allotment option. All ADSs sold in this offering will be freely transferable without restriction or additional registration under the United States Securities Act of 1933, as amended, or the Securities Act. The remaining ordinary shares issued and outstanding after this offering will be available for sale, upon the expiration of the [180]-day lock-up period beginning from the date of this prospectus, subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. Any or all of these shares may be released prior to the expiration of the lock-up period at the discretion of the representatives of the underwriters of this offering. To the extent shares are released before the expiration of the lock-up period and sold into the market, the market price of our ADSs could decline.

After completion of this offering, certain holders of our ordinary shares may cause us to register under the Securities Act the sale of their shares, subject to the [180]-day lock-up period in connection with this offering. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the form of ADSs in the public market could cause the price of our ADSs to decline.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise the same rights as our shareholders.

Holders of ADSs do not have the same rights as our shareholders. As a holder of our ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. As an ADS holder, you will only be able to exercise the voting rights carried by the underlying ordinary shares indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary. Upon receipt of your voting instructions, the depositary will try, as far as is practicable, to vote the ordinary shares underlying your ADSs in accordance with your instructions. If we ask for your instructions, then upon receipt of your voting instructions, the depositary will try to vote the underlying ordinary shares in accordance with these instructions. If we do not instruct the depositary to ask for your instructions, the depositary may still vote in accordance with instructions you give, but it is not required to do so. You will not be able to directly exercise your right to vote with respect to the underlying ordinary shares unless you withdraw the shares, and become the registered holder of such shares prior to the record date for the general meeting. When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the shares underlying your ADSs and become the registered holder of such shares to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our post-offering memorandum and articles of association that will become effective prior to completion of this offering, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a

record date may prevent you from withdrawing the ordinary shares underlying your ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. If we ask for your instructions, the depositary will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We have agreed to give the depositary notice of shareholder meetings sufficiently in advance of such meetings. Nevertheless, we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying ordinary shares represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct how the shares underlying your ADSs are voted and you may have no legal remedy if the shares underlying your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders' meeting. Except in limited circumstances, the depositary for our ADSs will give us a discretionary proxy to vote the ordinary shares underlying your ADSs if you do not vote at shareholders' meetings, which could adversely affect your interests.

[Under the deposit agreement for the ADSs, if you do not vote, the depositary will give us a discretionary proxy to vote the ordinary shares underlying your ADSs at shareholders' meetings unless:

- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- the voting at the meeting is to be made on a show of hands.]

The effect of this discretionary proxy is that you cannot prevent our ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our ordinary shares are not subject to this discretionary proxy.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register both the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Under the deposit agreement, the depositary will not make rights available to you unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act or exempt from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective and we may not be able to establish a necessary exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

You may not receive cash dividends if the depositary decides it is impractical to make them available to you.

The depositary will pay cash dividends on the ADSs only to the extent that we decide to distribute dividends on our ordinary shares or other deposited securities, and we do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future. To the extent that there is a distribution, the depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any holders of

ADSs. For example, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property to you.

You may be subject to limitations on transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

Certain judgments obtained against us by our shareholders may not be enforceable.

We are an exempted company incorporated under the laws of the Cayman Islands. We conduct our operations in China and substantially all of our assets are located in China. In addition, our directors and executive officers, and some of the experts named in this prospectus, reside within China, and most of the assets of these persons are located within China. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of the PRC may render you unable to enforce a judgment against our assets or the assets of our directors and officers. For more information regarding the relevant laws of the Cayman Islands and China, see “Enforceability of Civil Liabilities.”

ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, subject to the depositary’s right to require a claim to be submitted to arbitration, the federal or state courts in the City of New York have exclusive jurisdiction to hear and determine claims arising under the deposit agreement and in that regard, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. Also, we may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended.

If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable U.S. state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the U.S. federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under U.S. federal

securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and/or the depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, in which the trial would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not enforced, to the extent a court action proceeds, it would proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands with limited liability. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2018 Revision) of the Cayman Islands, which we refer to as the Companies Law, and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our post-offering articles of association that will become effective immediately prior to completion of this offering to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law and the laws applicable to companies incorporated in the United States and their shareholders, see “Description of Share Capital—Differences in Corporate Law.”

We have not determined a specific use for a portion of the net proceeds from this offering and we may use these proceeds in ways with which you may not agree.

We have not determined a specific use for a portion of the net proceeds of this offering, and our management will have considerable discretion in deciding how to apply these proceeds. You will not have the opportunity to assess whether the proceeds are being used appropriately before you make your investment decision. You must rely on the judgment of our management regarding the application of the net proceeds of this

offering. We cannot assure you that the net proceeds will be used in a manner that would improve our results of operations or increase our ADS price, nor that these net proceeds will be placed only in investments that generate income or appreciate in value.

The post-offering memorandum and articles of association that we plan to adopt and that will become effective immediately prior to the completion of this offering will contain anti-takeover provisions that could discourage a third party from acquiring us and adversely affect the rights of holders of our ordinary shares and the ADSs.

We plan to conditionally adopt amended and restated memorandum and articles of association that will become effective immediately prior to the completion of this offering. Our new memorandum and articles of association will contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change of control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. Our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADS or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our ADSs may fall and the voting and other rights of the holders of our ordinary shares and ADSs may be materially and adversely affected.

We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements.

We are an "emerging growth company," as defined in the U.S. Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we may take advantage of certain exemptions from various requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of Sarbanes-Oxley Act of 2002 for so long as we are an emerging growth company. As a result, if we elect not to comply with such auditor attestation requirements, our investors may not have access to certain information they may deem important.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;

- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD promulgated by SEC.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the [Nasdaq Stock Market]. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the [Nasdaq Stock Market]'s corporate governance requirements; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the [Nasdaq Stock Market]'s corporate governance requirements.

As a Cayman Islands company listed on the [Nasdaq Stock Market], we are subject to the [Nasdaq Stock Market]'s corporate governance requirements. However, the [Nasdaq Stock Market] rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the [Nasdaq Stock Market]'s corporate governance requirements. For example, neither the Companies Law nor our post-offering memorandum and articles of association that will become effective immediately prior to the completion of this offering requires a majority of our directors to be independent and we could include non-independent directors as members of our compensation committee and nominating committee, and our independent directors would not necessarily hold regularly scheduled meetings at which only independent directors are present. Currently, we do not plan to rely on home country practice with respect to our corporate governance after we complete this offering. However, if we choose to follow home country practice in the future, our shareholders may be afforded less protection than they otherwise would under the [Nasdaq Stock Market]'s corporate governance requirements applicable to U.S. domestic issuers.

There can be no assurance that we will not be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year, which could subject U.S. investors in our ADSs or ordinary shares to significant adverse U.S. income tax consequences.

We will be a passive foreign investment company, or PFIC, for any taxable year if either (i) 75% or more of our gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the average quarterly value of our assets (as determined on the basis of fair market value) during such year produce or are held for the production of passive income (the "asset test"). No assurance can be given with respect to our PFIC status for the current taxable year or any future taxable year. The determination of whether we are or will become a PFIC is uncertain because it is a fact-intensive inquiry made on an annual basis that will depend, in part, on the composition of our income and assets. Fluctuations in the market price of our ADSs may cause us to be a PFIC for the current or subsequent taxable years because the value of our assets for purposes of the asset test may be determined by reference to the market price of our ADSs from time to time (which may be volatile for biopharmaceutical companies, such as ours, that have not yet achieved commercialization with respect to any of their products). The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. Under circumstances where our revenue from activities that produce passive income increases relative to our revenue from activities that produce non-passive income, or where we determine not to deploy cash for active purposes, our risk of being a PFIC will substantially increase. Because there are uncertainties in the application of the relevant rules, it is possible that the IRS may challenge

our classification or valuation of certain income and assets, each of which may result in our being or becoming a PFIC for the current or subsequent taxable years.

If we are a PFIC in any taxable year, a U.S. Holder (as defined in "Taxation—United States Federal Income Tax Considerations") may incur significantly increased U.S. income tax on gain recognized on the sale or other disposition of the ADSs or ordinary shares and on the receipt of distributions on the ADSs or ordinary shares to the extent such gain or distribution is treated as an "excess distribution" under the U.S. federal income tax rules and such holder may be subject to burdensome reporting requirements. Further, if we are a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares. For more information see "Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Considerations."

We will incur increased costs and become subject to additional rules and regulations as a result of being a public company, particularly after we cease to qualify as an "emerging growth company."

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and [the Nasdaq Global Market], impose various requirements on the corporate governance practices of public companies. As a company with less than US$1.07 billion in net revenues for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies. However, we have elected to "opt out" of the provision that allows us to delay adopting new or revised accounting standards and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. After we are no longer an "emerging growth company," we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

In the past, shareholders of a public company often brought securities class action suits against the company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Known and unknown risks, uncertainties and other factors, including those listed under "Risk Factors," may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include statements relating to:

- the timing of initiation and completion, and the progress of our drug discovery and research programs;
- the timing and likelihood of regulatory filings and approvals;
- our ability to advance our drug candidates into drugs, and the successful completion of clinical trials;
- the approval, pricing and reimbursement of our drug candidates;
- the commercialization of our drug candidates;
- the market opportunities and competitive landscape of our drug candidates;
- the payment, receipt and timing of any milestone payments in relation to the licensing agreements;
- estimates of our costs, expenses, future revenues, capital expenditures and our needs for additional financing;
- our ability to attract and retain senior management and key employees;
- our future business development, financial condition and results of operations;
- future developments, trends, conditions and competitive landscape in the industry and markets in which we operate;
- our strategies, plans, objectives and goals and our ability to successfully implement these strategies, plans, objectives and goals;
- our ability to continue to maintain our market position in China's biopharmaceutical and biotechnology industries;
- our ability to identify and integrate suitable acquisition targets; and
- changes to regulatory and operating conditions in our industry and markets.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in "Prospectus Summary—Our Challenges," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Regulation" and other sections in this prospectus. You should read thoroughly this prospectus and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This prospectus contains certain data and information that we obtained from various government and private publications. Statistical data in these publications also include projections based on a number of assumptions. The biopharmaceutical industry may not grow at the rate projected by market data, or at all. Failure of this market to grow at the projected rate may have a material and adverse effect on our business and the market price of our ADSs. In addition, the rapidly evolving nature of the biopharmaceutical industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US$ million, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. These estimates are based upon an assumed initial public offering price of US$ per ADS, which is the mid-point of the price range shown on the cover page of this prospectus. A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would increase (decrease) the net proceeds to us from this offering by US$, assuming the number of ADSs offered by us as set forth on the cover page of this prospectus remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The primary purposes of this offering are to create a public market for our shares for the benefit of all shareholders, retain talented employees by providing them with equity incentives, and obtain additional capital. We plan to use the net proceeds of this offering as follows:

- approximately US$ million for research and development of our existing and future drug candidates, including:
  - (i) approximately US$ million to fund the ongoing two registrational trials, as well as a planned exploratory trial in SLE, for TJ202;
  - (ii) approximately US$ million to fund the planned registrational trial for enoblituzumab and the milestone payments in connection with development of enoblituzumab;
  - (iii) approximately US$ million to fund the planned registrational trial for TJ101;
  - (iv) approximately US$ million to fund the ongoing Phase 2 trial for TJ301 and the milestone payments in connection with development of TJ301;
  - (v) approximately US$ million to fund the ongoing Phase 1b trial and planned phase 2 trial for TJ107 and the milestone payments in connection with development of TJ107;
  - (vi) approximately US$ million to fund the ongoing Phase 1 trial both in the United States and China for TJC4;
  - (vii) approximately US$ million to fund the ongoing Phase 1 trial in the United States and the planned Phase 1 trial in China for TJD5; and
  - (viii) approximately US$ million to fund the ongoing Phase 1 trial in the United States and the planned Phase 1b trial in China for TJM2;
- approximately US$ million for potential investments in the establishment of our own manufacturing capacities, including the construction of our manufacturing facility in Hangzhou, China and for expanding our U.S. presence by building research facilities, including a translational medicine laboratory, in the United States; and
- approximately US$ million for general corporate purposes (including working capital needs), potential strategic alliances, investments or acquisitions, although we have not identified any specific alliances, investment or acquisition opportunities as of the date of this prospectus.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. See “Risk Factors—Risks Related to Our ADSs and This Offering—We have not determined a specific use for a portion of the net proceeds from this offering and we may use these proceeds in ways with which you may not agree.”

Pending any use described above, we plan to invest the net proceeds from this offering in short-term, interest-bearing, debt instruments or demand deposits.

DIVIDEND POLICY

Our board of directors has complete discretion on whether to pay dividends, subject to certain requirements of Cayman Islands law. Even if our board of directors decides to pay dividends on our ordinary shares, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our board of directors may deem relevant.

We do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future after this offering. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See “Regulation—PRC Regulation—Regulations Relating to Foreign Exchange and the Dividend Distribution.”

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the ordinary shares underlying our ADSs to the depositary, as the registered holder of such ordinary shares, and the depositary then will pay such amounts to our ADS holders in proportion to the ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Description of American Depositary Shares.” Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2019:

- on an actual basis;
- on a pro forma basis to reflect the automatic conversion of all of our issued and outstanding preferred shares into ordinary shares on a one-for-one basis immediately upon the completion of this offering; and
- on a pro forma as adjusted basis to reflect (i) the automatic conversion of all of our issued and outstanding preferred shares into ordinary shares on a one-for-one basis immediately upon the completion of this offering and (ii) the sale of ordinary shares represented by ADSs by us in this offering at an assumed initial public offering price of US$ per ADS, which is the mid-point of the estimated range of the initial public offering price shown on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, assuming the underwriters do not exercise their option to purchase additional ADSs.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of June 30, 2019			
	Actual		Pro Forma	
	(in thousands)(1)			
	RMB	US$	RMB	US$
Mezzanine equity				
Series A convertible preferred shares (US$0.0001 par value, 30,227,056 shares authorized, issued and outstanding as of June 30, 2019)	687,482	100,143	—	—
Series B convertible preferred shares (US$0.0001 par value, 30,305,212 shares authorized, issued and outstanding as of June 30, 2019)	921,243	134,194	—	—
Series C convertible preferred shares (US$0.0001 par value, 31,046,360 shares authorized, issued and outstanding as of June 30, 2019)	1,306,633	190,333	—	—
Redeemable non-controlling interests	—	—	—	—
Total mezzanine equity	**2,915,358**	**424,670**	**—**	**—**
Shareholders' equity (deficit)				
Ordinary shares (US$0.0001 par value, 500,000,000 shares authorized as of June 30, 2019, 8,363,719 shares authorized, issued and outstanding as of June 30, 2019)	6	1	69	10
Treasury stock	(1)	(0)	(1)	(0)
Additional paid-in capital	366,356	53,366	3,381,953	492,637
Accumulated other comprehensive income	54,408	7,925	54,408	7,925
Accumulated deficit	(1,871,826)	(272,663)	(1,921,977)	(279,968)
Total shareholders' equity (deficit)	**(1,451,057)**	**(211,371)**	**1,514,452**	**220,604**
Total mezzanine equity and shareholders' equity (deficit)	**1,955,338**	**284,827**	**1,955,338**	**284,827**

Note:
(1) The pro forma and pro forma as adjusted equity securities are reflected using a rate of RMB6.8650 to US$1.00, the exchange rate in effect as of the end of June 2019.

DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of June 30, 2019 was approximately US$, or US$ per ordinary share as of that date and US$ per ADS. Net tangible book value represents the amount of our total consolidated tangible assets, less the amount of our total consolidated liabilities. Dilution is determined by subtracting net tangible book value per ordinary share, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price of US$ per ordinary share, which is the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Without taking into account any other changes in net tangible book value after June 30, 2019, other than to give effect to our sale of the ADSs offered in this offering at the assumed initial public offering price of US$ per ADS, which is the midpoint of the estimated range of the initial public offering price, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2019 would have been US$, or US$ per ordinary share and US$ per ADS. This represents an immediate increase in net tangible book value of US$ per ordinary share and US$ per ADS to the existing shareholders and an immediate dilution in net tangible book value of US$ per ordinary share and US$ per ADS to investors purchasing ADSs in this offering. The following table illustrates such dilution:

	Per Ordinary Share	Per ADS
Assumed initial public offering price	US$	US$
Net tangible book value as of June 30, 2019	US$	US$
Pro forma net tangible book value after giving effect to the conversion of our preferred shares	US$	US$
Pro forma as adjusted net tangible book value after giving effect to the conversion of our preferred shares and this offering	US$	US$
Amount of dilution in net tangible book value to new investors in this offering	US$	US$

A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would increase (decrease) our pro forma as adjusted net tangible book value after giving effect to this offering by US$, the pro forma as adjusted net tangible book value per ordinary share and per ADS after giving effect to this offering by US$ per ordinary share and US$ per ADS and the dilution in pro forma as adjusted net tangible book value per ordinary share and per ADS to new investors in this offering by US$ per ordinary share and US$ per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and other offering expenses.

The following table summarizes, on a pro forma as adjusted basis as of June 30, 2019, the differences between existing shareholders and the new investors with respect to the number of ordinary shares (represented by ADSs or shares) purchased from us, the total consideration paid and the average price per ordinary share and per ADS paid before deducting the underwriting discounts and commissions and estimated offering expenses. The total number of ordinary shares does not include ordinary shares underlying the ADSs issuable upon the exercise of the over-allotment option granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount	Percent		
Existing shareholders			US$	%	US$	US$
New investors			US$	%	US$	US$
Total			US$	100.0%		

The pro forma as adjusted information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing.

The discussion and tables above assume no exercise of any outstanding share options outstanding as of the date of this prospectus. As of the date of this prospectus, there are ordinary shares issuable upon exercise of outstanding share options at a weighted average exercise price of US$ per share, and there are ordinary shares available for future issuance upon the exercise of future grants under our share incentive plans. To the extent that any of these options are exercised, there will be further dilution to new investors.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability. We are incorporated in the Cayman Islands because of certain benefits associated with being a Cayman Islands exempted company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of foreign exchange control or currency restrictions and the availability of professional and support services. However, the Cayman Islands has a less developed body of securities laws than the United States and provides less protection for investors. In addition, Cayman Islands companies do not have standing to sue before the federal courts of the United States.

Most of our assets are located outside the United States. In addition, most of our directors and officers are nationals or residents of jurisdictions other than the United States and all or a substantial portion of their assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or these persons, or to enforce judgments obtained in U.S. courts against us or them, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. It may also be difficult for you to enforce judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors.

We have appointed as our agent to receive service of process with respect to any action brought against us in the U.S. District Court for the Southern District of New York in connection with this offering under the federal securities laws of the United States or the securities laws of any state in the United States or any action brought against us in the Supreme Court of the State of New York in the County of New York in connection with this offering under the securities laws of the State of New York.

Conyers Dill & Pearman, our counsel as to Cayman Islands law, has advised us that there is uncertainty as to whether the courts of the Cayman Islands would (1) recognize or enforce judgments of U.S. courts obtained against us or our directors or officers that are predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state in the United States, or (2) entertain original actions brought in the Cayman Islands against us or our directors or officers that are predicated upon the federal securities laws of the United States or the securities laws of any state in the United States.

Conyers Dill & Pearman has informed us that the uncertainty with regard to Cayman Islands law relates to whether a judgment obtained from the U.S. courts under civil liability provisions of the securities law will be determined by the courts of the Cayman Islands as penal or punitive in nature. The courts of the Cayman Islands may not recognize or enforce such judgments against a Cayman company, and because such a determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands. Conyers Dill & Pearman has further advised us that the courts of the Cayman Islands would recognize as a valid judgment, a final and conclusive judgment in personam obtained in the federal or state courts of the United States under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) or, in certain circumstances, an in personam judgment for non-monetary relief, and would give a judgment based thereon provided that (a) such courts had proper jurisdiction over the parties subject to such judgment; (b) such courts did not contravene the rules of natural justice of the Cayman Islands; (c) such judgment was not obtained by fraud; (d) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands; (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands; and (f) there is due compliance with the correct procedures under the laws of the Cayman Islands.

JunHe LLP, our counsel as to PRC law, has advised us that there is uncertainty as to whether the courts of China would (1) recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, or (2) entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

JunHe LLP has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. The PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other form of reciprocal arrangements with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in China will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may initiate actions based on PRC law before a PRC court against a company for disputes, if the plaintiff can establish a sufficient contact with China for a PRC court to exercise jurisdiction and has a direct interest, cause of action and a concrete claim. The action may be initiated by a shareholder through filing a complaint with the PRC court. The PRC court will determine whether to accept the complaint in accordance with the PRC Civil Procedures Law. The shareholder may participate in the action by itself or entrust any other person or PRC legal counsel to participate on behalf of such shareholder. In addition, it will be difficult for U.S. shareholders to originate actions against us in China in accordance with PRC laws because we are incorporated under the laws of the Cayman Islands and it will be difficult for U.S. shareholders, by virtue only of holding our ADSs or ordinary shares, to establish a connection to China for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law.

CORPORATE HISTORY AND STRUCTURE

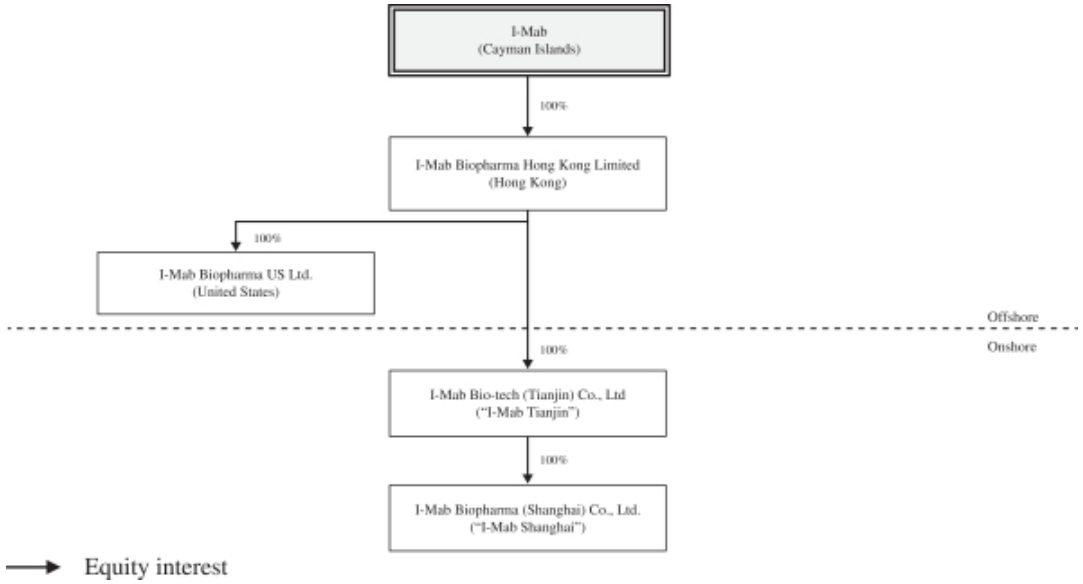
We commenced our operations in November 2014, when our predecessor Third Venture Biopharma (Nanjing) Co., Ltd ("Third Venture") was established.

I-Mab was established in June 2016 under the laws of the Cayman Islands as our offshore holding company. In July 2016, I-Mab established I-Mab Biopharma Hong Kong Limited ("I-Mab Hong Kong"), as its intermediary holding company. In August 2016, I-Mab Hong Kong established a wholly-owned PRC subsidiary, I-Mab Biopharma (Shanghai) Co., Ltd. ("I-Mab Shanghai"). In September 2016, the assets and operations of Third Venture were consolidated into I-Mab Shanghai.

In July 2017, I-Mab Hong Kong acquired a controlling interest in I-Mab Bio-tech (Tianjin) Co., Ltd. ("I-Mab Tianjin"), formerly known as Tasgen Bio-tech (Tianjin) Co., Ltd., a company focused on CMC management of biologics in China. Through an internal corporate restructuring, I-Mab Tianjin became the 100% owner of I-Mab Shanghai in September 2017 and I-Mab Hong Kong acquired the remaining interest in I-Mab Tianjin in May 2018, becoming the 100% owner of I-Mab Tianjin.

In February 2018, I-Mab Hong Kong established in Maryland, United States, a wholly-owned subsidiary I-Mab Biopharma US Limited ("I-Mab US"), as the hub for the discovery and development of the drug candidates in our Global Portfolio.

The following diagram illustrates our corporate structure, including our principal subsidiaries, as of the date of this prospectus:



SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated statements of comprehensive loss data for the years ended December 31, 2017 and 2018, selected consolidated balance sheet data as of December 31, 2017 and 2018 and selected consolidated statements of cash flow data for the years ended December 31, 2017 and 2018 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following selected consolidated statements of comprehensive loss data for the six months ended June 30, 2018 and 2019, selected consolidated balance sheet data as of June 30, 2019 and selected consolidated statements of cash flow data for the six months ended June 30, 2018 and 2019 are derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the U.S. GAAP. Our historical results are not necessarily indicative of results expected for future periods. You should read this Selected Consolidated Financial Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for share and per share data)					
Selected Consolidated Statements of Comprehensive Loss Data:						
Revenues						
Licensing and collaboration revenue	11,556	53,781	7,834	21,377	15,000	2,185
Expenses						
Research and development expenses(1)	(267,075)	(426,028)	(62,058)	(202,693)	(265,084)	(38,614)
Administrative expenses(1)	(25,436)	(66,391)	(9,671)	(18,687)	(574,584)	(83,698)
Loss from operations	(280,955)	(438,638)	(63,895)	(200,003)	(824,668)	(120,127)
Interest income	858	4,597	670	980	12,818	1,867
Interest expense	(5,643)	(11,695)	1,704	(9,097)	(1,936)	(282)
Other income (expenses), net	1,527	(16,780)	(2,444)	(21,594)	303	44
Fair value change of warrants	(14,027)	61,405	8,945	62,994	(43,854)	(6,388)
Loss before income tax expense	(298,240)	(401,111)	(58,428)	(166,720)	(857,337)	(124,886)
Income tax expense	—	(1,722)	(251)	—	—	—
Net loss attributable to I-Mab	(298,240)	(402,833)	(58,679)	(166,720)	(857,337)	(124,886)
Other comprehensive income						
Foreign currency translation adjustments, net of nil tax	5,918	53,689	7,821	(7,446)	(4,972)	(724)
Total comprehensive loss attributable to I-Mab	**(292,322)**	**(349,144)**	**(50,859)**	**(174,166)**	**(862,309)**	**(125,610)**
Net loss attributable to ordinary shareholders	(298,240)	(402,833)	(58,679)	(166,720)	(857,337)	(124,886)
Weighted-average number of ordinary shares used in calculating net loss per shares						
Basic and diluted	5,742,669	6,529,092	6,529,092	6,397,663	7,184,086	7,184,086
Net loss per share attributable to ordinary shareholders						
Basic	(51.93)	(61.70)	(8.99)	(26.06)	(119.34)	(17.38)
Diluted	(51.93)	(61.70)	(8.99)	(26.06)	(119.34)	(17.38)

Note:
(1) Share-based compensation expenses were allocated as follows:

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Research and development expenses	2,112	1,056	154	579	308	45
Administrative expenses*	4,927	2,464	359	1,350	366,048	53,321
Total	**7,039**	**3,520**	**513**	**1,929**	**366,356**	**53,366**

* The above share-based compensation expenses do not include the expenses arising from the repurchase of share awards held by a director of our company during the six months ended June 30, 2019. See Note 17 (d) to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for more details.

The following table presents our selected consolidated statements of balance sheet data as of December 31, 2017 and 2018 and June 30, 2019:

	As of December 31,			As of June 30,	
	2017	2018		2019	
	RMB	RMB	US$	RMB	US$
		(in thousands)			
Selected Consolidated Statements of Balance Sheet Data:					
Current assets:					
Cash and cash equivalents	307,930	1,588,278	231,359	1,269,054	184,859
Restricted cash	104,783	92,653	13,496	147,806	21,530
Contract assets	—	11,000	1,602	11,000	1,602
Prepayments and other receivables	12,633	88,972	12,960	96,139	14,004
Other financial assets	266,245	255,958	37,284	80,420	11,714
Total current assets	691,591	2,036,861	296,702	1,604,419	233,709
Property, equipment and software	22,336	27,659	4,029	25,118	3,659
Operating lease right-of-use assets	—	—	—	14,383	2,095
Intangible assets	148,844	148,844	21,682	148,844	21,682
Goodwill	162,574	162,574	23,682	162,574	23,682
Total assets	**1,025,345**	**2,375,938**	**346,094**	**1,955,338**	**284,827**
Total liabilities	**309,151**	**415,684**	**60,551**	**484,954**	**70,641**
Total mezzanine equity	**1,015,989**	**2,915,358**	**424,670**	**2,915,358**	**424,670**
Shareholders' equity (deficit)					
Ordinary shares (US$0.0001 par value, 500,000,000 shares authorized as of December 31, 2018 and June 30, 2019, 8,363,719 and 8,363,719 shares authorized, issued and outstanding as of December 31, 2018 and June 30, 2019, respectively)	6	6	1	6	1
Treasury stock	(1)	(1)	(0)	(1)	(0)
Additional paid-in capital	52,369	—	—	366,356	53,366
Accumulated other comprehensive income	5,691	59,380	8,650	54,408	7,925
Accumulated deficit	(357,860)	(1,014,489)	(147,777)	(1,871,826)	(272,663)
Total shareholders' equity (deficit)	**(299,795)**	**(955,104)**	**(139,127)**	**(1,451,057)**	**(211,371)**
Total liabilities, mezzanine equity and shareholders' equity (deficit)	**1,025,345**	**2,375,938**	**346,094**	**1,955,338**	**284,827**

The following table presents our selected consolidated statements of cash flow data for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2018 and 2019:

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Selected Consolidated Statements of Cash Flow Data:						
Net cash used in operating activities	(252,157)	(280,705)	(40,889)	(63,653)	(389,034)	(56,669)
Net cash (used in) generated from investing activities	(157,665)	9,500	1,384	14,400	158,056	23,024
Net cash (used in) generated from financing activities	758,585	1,479,669	215,538	150,116	(30,000)	(4,370)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(132)	59,754	8,704	(8,737)	(3,093)	(451)
Net increase in cash, cash equivalents and restricted cash	348,631	1,268,218	184,737	92,126	(264,071)	(38,466)
Cash, cash equivalents and restricted cash, beginning of the year/period	64,082	412,713	60,118	412,713	1,680,931	244,855
Cash, cash equivalents and restricted cash, end of the year/period	412,713	1,680,931	244,855	504,839	1,416,860	(206,389)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section entitled "Selected Consolidated Financial Data" and our consolidated financial statements and the consolidated financial statements of I-Mab Bio-tech (Tianjin) Co., Ltd. ("I-Mab Tianjin") and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that reflect our current expectations and views of future events, which may involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

We acquired a controlling interest in I-Mab Tianjin on July 15, 2017 and have consolidated the results of operations of I-Mab Tianjin and its subsidiaries since July 15, 2017. In this section, when discussing historical facts and operating results for the period before July 15, 2017, "we," "us," "our company" and "our" refer to I-Mab and its then subsidiaries, and do not include I-Mab Tianjin or its subsidiaries.

Overview

We are a clinical stage biopharmaceutical company committed to the discovery, development and commercialization of first-in-class or best-in-class biologics to treat diseases with significant unmet medical needs, particularly cancers and autoimmune disorders. First-in-class biologics are innovative medicines for which we commit to using a new and unique mechanism of action to treat a medical condition in oncology or autoimmune diseases. Best-in-class biologics are innovative medicines for which we commit to developing, by our design, to become highly differentiated from currently marketed drugs or drug candidates currently in either clinical or pre-clinical development by a third party that target the same biological target, based on their respective pharmacokinetic, pharmacodynamic and biophysical properties, as applicable. Our mission is to bring transformational medicines to patients through innovation.

We were founded to capture the opportunities presented by the confluence of two major developments—the emergence of an attractive and growing biologics market in China, and the revolutionary scientific breakthroughs in cancer and autoimmune disease medicines. We believe we are well-positioned to become a biotech leader in China because of our innovative discovery expertise, fit-for-purpose technology platforms, biomarker-enabled translational medicine capabilities, and clinical development capabilities. These integrated capabilities are further enhanced by our deep understanding of China's biologics regulatory framework and our direct access to extensive pre-clinical and clinical trial resources in China. To date, we have developed an innovative pipeline of more than 10 clinical and pre-clinical stage assets through our internal research and development efforts and in-licensing arrangements with global pharmaceutical and biotech companies.

We are fully aware of the competitive and regulatory challenges we face as an innovative clinical stage biotech company based in China, including need to raise significant capital, significant competition from global and other China-based biopharmaceutical companies, less streamlined regulatory pathway compared to countries with long-established regulatory systems, and potential implementation challenges and uncertainties of the recent government reform of the drug approval system. However, with these challenges in mind, we have been mitigating the risks through our internal R&D system that integrates multi-functional aspects of our drug development process to proactively deal with some of the regulatory challenges mentioned above. Furthermore, through our Beijing office which focuses on regulatory matters, we have established an effective communication channel with the regulatory agencies to discuss and resolve various regulatory issues promptly and effectively. We see vast opportunities for immuno-oncology and autoimmune biologics therapies in China. First, both the incidence and mortality of cancers in China have been increasing in recent years and are outpacing those in the United States and the rest of the world. Second, many innovative biologics approved to treat cancer and autoimmune diseases in the United States and Europe are not yet available in China. Third, the Chinese

government has implemented new policies and regulations to simplify the review and approval cycle of clinical trials and new drug applications to encourage biologics innovation. Fourth, there has been a continuous and rapid increase in personal disposable income in China coupled with ongoing improvement in basic national health insurance coverage, making innovative biologics more accessible to more Chinese patients. According to the Frost & Sullivan Report, China's biologics market is growing faster than the global biologics market and is expected to reach approximately RMB1.3 trillion (US$189.4 billion) by 2030 in terms of sales revenue.

We believe we are uniquely positioned as a China-based global player to tap into these vast commercial opportunities. This is best demonstrated by our short journey in becoming one of the top clinical stage immunology companies in China. According to the Frost & Sullivan Report, we are ranked as top clinical stage China-based immunology companies as measured by the innovative quality and number of investigational drugs and drug candidates under clinical and pre-clinical development in our pipeline, amount of pre-IPO financing raised (in excess of US$400 million in three years), pre-IPO valuation and recognition and awards earned in the biotech industry. For example, in March 2019, Genetic Engineering & Biotechnology News (GEN) recognized us as a top 10 immuno-oncology start-up in the world. We were the only China-based company recognized therein. To date, our research and development capabilities encompass discovery, biologics CMC development, pre-clinical development and clinical development with footprints in Shanghai, Beijing and the United States. We are now at a critical juncture to transition from a clinical stage biotech company into a fully integrated end-to-end global biopharmaceutical company in the next few years.

Since the commencement of our operation in 2014, we have devoted most of our efforts and financial resources to organize and staff our operations, business planning, raise capital, establish our intellectual property portfolio and conduct pre-clinical and clinical trials of our drug candidates.

We had raised in excess of US$400 million in pre-IPO financing in the past three years. We have not generated any revenue from product sales, and as a result, we have never been profitable and have incurred net losses since the commencement of our operations. In 2017, 2018 and the six months ended June 30, 2019, our net loss was RMB298.2 million, RMB402.8 million (US$58.7 million) and RMB857.3 million (US$124.9 million), respectively. We do not expect to generate product revenue unless and until we obtain marketing approval for and commercialize a drug candidate, and we cannot assure you that we will ever generate significant revenue or profits.

Key Factors Affecting Our Results of Operations

Our results of operations, financial condition, and the year-to-year comparability of our financial results have been, and are expected to continue to be, principally affected by the below factors:

Cost and Expenses Structure

Our results of operations are significantly affected by our cost structure, which primarily consists of research and development expenses and administrative expenses.

Research and development activities are central to our business model. We believe our ability to successfully develop drug candidates will be the primary factor affecting our long-term competitiveness, as well as our future growth and development. Developing high-quality drug candidates requires a significant investment of resources over a prolonged period of time, and a core part of our strategy is to continue making sustained investments in this area. Since our inception, we have focused our resources on our research and development activities, including conducting pre-clinical studies and clinical trials, and activities related to regulatory filings for our drug candidates. Our research and development expenses primarily include the following:

- costs related to development of our pipeline assets under all stages including discovery, pre-clinical testing or clinical trials;

- patent license fees and other fees under the licensing, collaboration and development agreements with respect to our in-licensed drug candidates; and
- employee salaries and related benefit costs, including share-based compensation expenses, for research and development personnel.

At this time, we are unable to predict when, if ever, we will be able to achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods thereafter. This is due to the numerous risks and uncertainties associated with developing such drug candidates, including the uncertainty of:

- successful enrollment in and completion of clinical trials;
- establishing an appropriate safety profile;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- receipt of marketing approvals from applicable regulatory authorities;
- commercializing the drug candidates, if and when approved, whether alone or in collaboration with others;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our drug candidates;
- continued acceptable safety profiles of the products following approval; and
- retention of key research and development personnel.

Any change in the outcome of any of these variables with respect to the development of any of our drug candidates would significantly change the costs, timing and viability associated with the development of that drug candidate. We expect research and development costs to continue to increase for the foreseeable future as we expand our operations and our development programs progress, including as we continue to support and advance the clinical trials of our drug candidates.

Our administrative expenses consist primarily of employee salaries and related benefit costs. Other administrative expenses include professional fees for consulting and auditing as well as other direct and allocated expenses for rental expenses for our facilities, travel costs and other supplies used in administrative activities. We expect our administrative expenses to increase in the future to support our pipeline assets and research and development efforts, and the commercialization of our drug candidates once approval is obtained. We also anticipate that our administrative expenses will increase as we operate as a public company following the completion of this offering.

Revenue from Out-Licensing Agreements

We continue to seek out-licensing opportunities for our de-prioritized assets to streamline our pipeline. During fiscal years 2017 and 2018, our revenue consisted primarily of payments from granting licenses to use and otherwise exploit certain of our intellectual properties linked to our de-prioritized assets. See “Business—Licensing and Collaboration Arrangements” for more information on the existing out-licensing arrangements. In addition, after validating clinical safety and preliminary efficacy of a drug candidate in our Global Portfolio in clinical trials in the United States, we may elect to out-license the global rights (excluding Greater China) of such drug candidate, while retaining the Greater China rights for further development and commercialization. But we may also choose to retain these rights for the United States or other countries or regions as we may deem fit. Before the commercialization of one or more of our drug candidates, we expect that the majority of our revenue will continue to be generated from out-licensing our intellectual properties.

Funding for Our Operations

During the periods presented, we funded our operations primarily from financing through the issuance and sale of preferred shares and convertible promissory notes in private placement transactions. Going forward, in the event of successful commercialization of one or more of our drug candidates, we expect to fund our operations in part with revenue generated from sales of our commercialized drug products. However, with the continuing expansion of our business and our product pipeline, we may require further funding through public or private offerings, debt financing, collaboration, and licensing arrangements or other sources. Any fluctuation in our ability to fund our operations will impact our cash flow plan and our results of operations.

Our Ability to Commercialize Our Drug Candidates

Our business and results of operations depend on our ability to commercialize our drug candidates, once and if those candidates are approved for marketing by the respective health authority. Currently, our pipeline consists of more than ten drug candidates ranging in development status from pre-clinical to late-stage clinical programs. Although we currently do not have any product approved for commercial sale and have not generated any revenue from product sales, we expect to generate revenue from sales of a drug candidate after we complete the clinical development, obtain regulatory approval, and successfully commercialize such drug candidate. Our late-stage investigational drugs at or potentially near pivotal trials are TJ202, TJ101, TJ301 and enoblituzumab. See “Business—Our Drug Pipeline” for more information on the development status of our various drug candidates.

The Effect of Our Acquisition of I-Mab Tianjin

We acquired a controlling interest in I-Mab Tianjin on July 15, 2017 and the remaining interest in I-Mab Tianjin in May 2018. Since our acquisition of the controlling interest in I-Mab Tianjin on July 15, 2017, I-Mab Tianjin has been consolidated into our results of operations. Shortly after we acquired the controlling interest in I-Mab Tianjin, we integrated the operations of I-Mab Tianjin into our operations.

I-Mab Tianjin did not generate any external revenue from July 15, 2017 to June 30, 2019. In connection with our acquisition of I-Mab Tianjin, we identified RMB148.8 million of intangible assets and RMB162.6 million of goodwill of I-Mab Tianjin. Goodwill is not amortized, but impairment of goodwill assessment is performed on an least an annual basis on December 31 or whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. No impairment was identified as of December 31, 2017 and 2018 and June 30, 2019. Impairment charges could substantially affect our results of operations in the periods of such charges. In addition, impairment charges would negatively impact our financial ratios and could limit our ability to obtain financing in the future. See “Risk Factors—Risks Related to Our Industry, Business and Operations—Change in business prospects of acquisitions may result in impairment to our goodwill, which could negatively affect our reported results of operations.”

Key Components of Results of Operations

Revenues

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from product sales for the foreseeable future before the successful commercialization of one or more of our drug candidates.

We generated substantially all of our revenues for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2019 from granting licenses to use and otherwise exploit certain of our intellectual properties in connection with our de-prioritized assets.

Research and Development Expenses

Research and development expenses primarily consist of: (i) payroll and other related expenses of research and development personnel, (ii) fees associated with the exclusive development rights of our in-licensed drug

candidates, (iii) fees for services provided by contract research organizations, investigators and clinical trial sites that conduct our clinical studies, and (iv) expenses relating to the development of our drug candidates, including raw materials and supplies, product testing, depreciation, and facility related expenses.

Our current research and development activities primarily relate to the clinical development of the following investigational drugs:

- TJ202, a potential highly differentiated CD38 antibody for multiple myeloma and autoimmune diseases, if approved;
- TJ107, a potential first-in-class long-acting IL-7 for cancer treatment-related lymphopenia and cancer immunotherapy, if approved;
- TJ101, a potential highly differentiated long-acting growth hormone for growth hormone deficiency, if approved;
- TJ301, a potential highly differentiated IL-6 blocker for ulcerative colitis and other autoimmune diseases, if approved;
- Enoblituzumab, a potential first-in-class B7-H3 antibody as an immuno-oncology treatment, if approved;
- TJC4, a potential highly differentiated CD47 monoclonal antibody with unique RBC-sparing differentiation, if approved;
- TJD5, a potential highly differentiated CD73 antibody for immuno-oncology, if approved; and
- TJM2, a GM-CSF monoclonal antibody for rheumatoid arthritis and CAR-T-related therapies.

We incurred research and development expenses of RMB267.1 million and RMB426.0 million (US$62.1 million) for the years ended December 31, 2017 and 2018, respectively, representing 91.3% and 86.5% of our total research and development and administrative expenses for the corresponding periods. We incurred research and development expenses of RMB265.1 million (US$38.6 million) for the six months ended June 30, 2019. We expect our research and development expenses to continue to increase for the foreseeable future, as we continue to expand our operations and to advance our pipeline and our drug candidates toward later stages.

Administrative Expenses

Administrative expenses primarily consist of salaries and related benefit costs, including share-based compensation, for employees engaged in managerial and administrative positions or involved in general corporate functions, professional fees for consulting and auditing as well as other direct and allocated expenses for rental expenses for our facilities, travel costs and other supplies used in administrative activities. For the years ended December 31, 2017 and 2018 and the six months ended June 30, 2019, our administrative expenses amounted to RMB25.4 million, RMB66.4 million (US$9.7 million) and RMB574.6 million (US$83.7 million), respectively.

Interest Expense

Interest expense consist primarily of interest expenses on our (i) short-term bank borrowings and (ii) convertible promissory notes issued to certain investors.

Interest Income

Interest income consists primarily of interest income derived from our term deposit and restricted cash pledged as collateral for a working capital loan.

Other Income (Expenses), Net

Other income consists primarily of income from other financial assets.

Other expenses consist primarily of the net loss resulting from the conversion of a portion of our convertible promissory notes.

Fair Value Change of Warrants

Fair value change of warrants consists primarily of the non-cash items incurred in connection with changes in the fair value of our warrant liabilities that we issued to certain investors.

Taxation

Cayman Islands

I-Mab, our holding entity, is incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, I-Mab is not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

I-Mab Biopharma Hong Kong Limited is incorporated in Hong Kong. Companies registered in Hong Kong are subject to Hong Kong profits tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with the relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong. For the years ended December 31, 2017 and 2018 and the six months ended June 30, 2019, I-Mab Biopharma Hong Kong Limited did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earnings in Hong Kong for any of the periods presented. Under the Hong Kong tax law, I-Mab Biopharma Hong Kong Limited is exempted from income tax on its foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

United States

I-Mab Biopharma US Ltd. is incorporated in Maryland and is subject to U.S. federal corporate income tax at a rate of 21%. It is also subject to state income tax in Maryland at a rate of 8.25%. I-Mab Biopharma US Ltd. has no taxable income for all periods presented and therefore no provision for income taxes is required.

China

On March 16, 2007, the National People's Congress of PRC enacted a new Corporate Income Tax Law ("new CIT law"), under which Foreign Investment Enterprises ("FIEs") and domestic companies would be subject to corporate income tax at a uniform rate of 25%. The new CIT law became effective on January 1, 2008. Under the new CIT law, preferential tax treatments will continue to be granted to entities which conduct businesses in certain encouraged sectors and to entities otherwise classified as "High and New Technology Enterprises."

I-Mab Shanghai has been qualified as a "High and New Technology Enterprise" and enjoys a preferential income tax rate of 15% from 2018 to 2020. No provision for income taxes has been accrued because all of our PRC subsidiaries are in cumulative loss positions for all the periods presented. I-Mab Tianjin is subject to the statutory income tax at a rate of 25%.

A valuation allowance is provided to reduce the amount of deferred tax assets if it is considered more likely than not that some portion or all of the deferred tax assets will not be realized in the foreseeable future. In making such determination, we evaluate a variety of positive and negative factors including our operating history, accumulated deficit, the existence of taxable temporary differences and reversal periods.

We have incurred net accumulated operating losses for income tax purposes since our inception. We believe that it is more likely than not that these net accumulated operating losses will not be utilized in the future. Therefore, we have provided full valuation allowances for the deferred tax assets as of December 31, 2017 and 2018 and June 30, 2019.

We evaluate each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measure the unrecognized benefits associated with the tax positions. As of December 31, 2017 and 2018 and June 30, 2019, we did not have any significant unrecognized uncertain tax positions.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for share and per share data)					
Revenues						
Licensing and collaboration revenue	11,556	53,781	7,834	21,377	15,000	2,185
Expenses						
Research and development expenses(1)	(267,075)	(426,028)	(62,058)	(202,693)	(265,084)	(38,614)
Administrative expenses(1)	(25,436)	(66,391)	(9,671)	(18,687)	(574,584)	(83,698)
Loss from operations	(280,955)	(438,638)	(63,895)	(200,003)	(824,668)	(120,127)
Interest income	858	4,597	670	980	12,818	1,867
Interest expense	(5,643)	(11,695)	1,704	(9,097)	(1,936)	(282)
Other income (expenses), net	1,527	(16,780)	(2,444)	(21,594)	303	44
Fair value change of warrants	(14,027)	61,405	8,945	62,994	(43,854)	(6,388)
Loss before income tax expense	(298,240)	(401,111)	(58,428)	(166,720)	(857,337)	(124,886)
Income tax expense	—	(1,722)	(251)	—	—	—
Net loss attributable to ordinary shareholders	(298,240)	(402,833)	(58,679)	(166,720)	(857,337)	(124,886)

Note:
(1) Share-based compensation expenses were allocated as follows:

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Research and development expenses	2,112	1,056	154	579	308	45
Administrative expenses*	4,927	2,464	359	1,350	366,048	53,321
Total	**7,039**	**3,520**	**513**	**1,929**	**366,356**	**53,366**

* The above share-based compensation expenses do not include the expenses arising from the repurchase of share awards held by a director of our company during the six months ended June 30, 2019. See Note 17 (d) to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for more details.

Comparison of Six Months Ended June 30, 2019 and 2018

Revenues

Our revenues generated from licensing and collaboration decreased by 29.8% from RMB21.4 million for the six months ended June 30, 2018 to RMB15.0 million (US$2.2 million) for the six months ended June 30, 2019.

Our revenues generated in the six months ended June 30, 2018 solely consisted of HDYM's upfront payment to us pursuant to our out-licensing arrangement with HDYM. Our revenues generated in the six months ended June 30, 2019 solely consisted of CSPC entity's upfront payment to us pursuant to our out-licensing arrangement with CSPC entity.

Research and Development Expenses

The following table sets forth a breakdown of the major components of our research and development expenses in absolute amounts and as a percentage of our total research and development expenses for the periods indicated:

	For the Six Months Ended June 30,				
	2018		2019		
	RMB	%	RMB	US$	%
	(in thousands, except percentages)				
CRO service fees	87,159	43.0	144,765	21,088	54.6
In-licensed patent right fees	76,644	37.8	55,525	8,088	20.9
Employee benefit expenses	20,792	10.3	44,764	6,521	16.9
Material costs for drug candidates	1,608	0.8	3,895	567	1.5
Other expenses	16,490	8.1	16,135	2,350	6.1
Total	202,693	100.0	265,084	38,614	100.0

Our research and development expenses increased by 30.8% from RMB202.7 million for the six months ended June 30, 2018 to RMB265.1 million (US$38.6 million) for the six months ended June 30, 2019, primarily attributable to (i) an increase in the CRO service fees from RMB87.2 million for the six months ended June 30, 2018 to RMB144.8 million (US$21.1 million) for the six months ended June 30, 2019, as we initiated a few more research and development programs and advanced some of our existing investigational drugs into more advanced clinical development stages; and (ii) an increase in employee benefit expenses of employees involved in research and development from RMB20.8 million for the six months ended June 30, 2018 to RMB44.8 million (US$6.5 million) for the six months ended June 30, 2019, due to an increase in the headcount.

In the six months ended June 30, 2019, 81.7% and 18.3% of our total research and development expenses were attributable to clinical programs and preclinical programs, respectively. In the six months ended June 30, 2018, 86.0% and 14.0% of our total research and development expenses were attributable to clinical programs and preclinical programs, respectively. For the six months ended June 30, 2019, TJ202 represented approximately 63.8% of our external research and development expenses, which primarily included licensing fees and payments to CROs and CMOs. For the six months ended June 30, 2018, TJ107 represented approximately 46.3% of our external research and development expenses, which primarily included licensing fees and payments to CROs and CMOs. No other programs represented a significant amount of research and development expenses in the six months ended June 30, 2019 and 2018. Though we manage our external research and development expenses by program, we do not allocate our internal research and development expenses by program because our employees and internal resources may be engaged in projects for multiple programs at any time.

Administrative Expenses

Our administrative expenses increased from RMB18.7 million for the six months ended June 30, 2018 to RMB574.6 million (US$83.7 million) for the six months ended June 30, 2019, primarily attributable to (i) stock options granted to a director of our company under the 2018 Plan, (ii) repurchase of share awards held by a director of our company, (iii) the increase in employee benefit expenses due to headcount increase, and (iv) the increase in third-party professional expenses.

Interest Income

We recorded RMB1.0 million of interest income for the six months ended June 30, 2018 and RMB12.9 million (US$1.9 million) of interest income for the six months ended June 30, 2019. The change was primarily attributable to the interest income derived from bank deposits.

Interest Expense

We recorded RMB9.1 million of interest expense for the six months ended June 30, 2018 and RMB1.9 million (US$0.3 million) of interest expense for the six months ended June 30, 2019. The change was primarily attributable to the interest expense related to our convertible promissory notes, which were converted in June and July 2018.

Other Income (Expenses), Net

We recorded RMB21.6 million of other expenses for the six months ended June 30, 2018 and RMB0.3 million (US$0.04 million) of other income for the six months ended June 30, 2019. The change was primarily attributable to the conversion of a portion of our convertible promissory notes during the six months ended June 30, 2019.

Fair Value Change of Warrants

We recorded a gain from change in the fair value of warrant liability of RMB63.0 million for the six months ended June 30, 2018, and a loss from change in the fair value of warrant liability of RMB43.9 million (US$6.4 million) for the six months ended June 30, 2019. The change was primarily attributable to (i) the change in fair value of warrants due to the increase in the valuation of our company, and (ii) the modification in 2018 that added certain forfeiture conditions to the warrants, which increased the possibility of forfeiture of the warrants and therefore resulted in a reduction in our warrant liabilities.

Comparison of Twelve Months Ended December 31, 2018 and 2017

Revenues

Our revenues generated from licensing and collaboration increased by 365.4% from RMB11.6 million for the year ended December 31, 2017 to RMB53.8 million (US$7.8 million) for the year ended December 31, 2018. Our revenues generated for the year ended December 31, 2017 consisted solely of HDYM's milestone payment to us pursuant to our out-licensing arrangement with it. Our revenues generated for the year ended December 31, 2018 consisted of both HDYM's milestone payment and ABL Bio's upfront payment to us pursuant to our out-licensing arrangements with them, respectively.

Research and Development Expenses

The following table sets forth a breakdown of the major components of our research and development expenses in absolute amounts and as a percentage of our total research and development expenses for the periods indicated:

	For the Year Ended December 31,				
	2017		2018		
	RMB	%	RMB	US$	%
	(in thousands, except percentages)				
CRO service fees	83,047	31.1	212,278	30,922	49.8
In-licensed patent right fees	134,846	50.5	108,794	15,848	25.5
Employment benefit expenses	26,799	10.0	56,630	8,249	13.3
Material costs for drug candidates	10,393	3.9	19,652	2,863	4.6
Other expenses	11,990	4.5	28,674	4,176	6.8
Total	267,075	100.0	426,028	62,058	100.0

Our research and development expenses increased by 59.5% from RMB267.1 million for the year ended December 31, 2017 to RMB426.0 million (US$62.1 million) for the year ended December 31, 2018, primarily attributable to (i) an increase in the CRO service fees from RMB83.0 million in 2017 to RMB212.3 million (US$30.9 million) in 2018, as we initiated a few more research and development programs and advanced some of our existing investigational drugs into more advanced clinical development stages; and (ii) an increase in employee benefit expenses of employees involved in research and development from RMB26.8 million in 2017 to RMB56.6 million (US$8.2 million) in 2018, due to an increase in the headcount.

In 2018, 72.3% and 27.7% of our total research and development expenses were attributable to clinical programs and pre-clinical programs, respectively. In 2017, 77.5% and 22.5% of our total research and development expenses were attributable to clinical programs and pre-clinical programs, respectively. In 2018, TJ107 and TJ202 represented approximately 25.0% and 9.9% of our external research and development expenses, which primarily included licensing fees and payments to CROs and CMOs. In 2017, TJ202 represented approximately 59.1% of our external research and development expenses, which primarily included licensing fees and payments to CROs and CMOs. No other programs represented a significant amount of research and development expenses in 2018 and 2017. Though we manage our external research and development expenses by program we do not allocate our internal research and development expenses by program because our employees and internal resources may be engaged in projects for multiple programs at any time.

Administrative Expenses

Our administrative expenses increased from RMB25.4 million for the year ended December 31, 2017 to RMB66.4 million (US$9.7 million) for the year ended December 31, 2018, primarily attributable to (i) the increase in employee benefit expenses due to headcount increase, and (ii) the increase in third-party professional expenses.

Interest Income

We recorded RMB0.9 million of interest income for the year ended December 31, 2017 and RMB4.6 million (US$1.7 million) of interest income for the year ended December 31, 2018. The change was primarily attributable to the interest income derived from our bank deposits.

Interest Expense

We recorded RMB5.6 million of interest expense for the year ended December 31, 2017 and RMB11.7 million (US$1.7 million) of interest expense for the year ended December 31, 2018. The change was primarily attributable to (i) the interest expense accrued on the one-year bank borrowing facilities we entered into in the third quarter of 2017 and 2018, respectively; and (ii) the interest expense related to our convertible promissory notes, which were converted in June and July 2018.

Other Income (Expenses), Net

We recorded RMB1.5 million of other income for the year ended December 31, 2017 and RMB16.8 million (US$2.4 million) of other expenses for the year ended December 31, 2018. The change was primarily attributable to the net loss resulting from the conversion of a portion of our convertible promissory notes, partially offset by an increase in the income from the other financial assets.

Fair Value Change of Warrants

We recorded a loss from change in the fair value of warrant liability of RMB14.0 million for the year ended December 31, 2017, and a gain from change in the fair value of warrant liability of RMB61.4 million (US$8.9 million) for the year ended December 31, 2018. The change was primarily attributable to (i) the change in fair value of warrants due to the increase in the valuation of our company, and (ii) the modification in 2018 that added certain forfeiture conditions to the warrants, which increased the possibility of forfeiture of the warrants and therefore resulted in a reduction in our warrant liabilities.

Liquidity and Capital Resources

Since inception, we have incurred net losses and negative cash flows from our operations. Substantially all of our losses have resulted from funding our research and development programs and administrative costs associated with our operations. We incurred net losses of RMB298.2 million, RMB402.8 million (US$58.7 million) and RMB857.3 million (US$124.9 million) for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2019, respectively. Our primary use of cash is to fund our research and development activities. We used RMB252.2 million, RMB280.7 million (US$40.9 million) and RMB389.0 million (US$56.7 million) in cash for our operating activities for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2019, respectively. Historically, we have financed our operations principally through proceeds from the issuance and sale of preferred shares and convertible promissory notes in private placement transactions. For more information of our equity financing, see "Description of Share Capital—History of Securities Issuances." As of June 30, 2019, we had cash, cash equivalents and restricted cash of RMB1,416.9 million (US$206.4 million). Our cash, cash equivalents and restricted cash consist primarily of cash in bank and on hand.

The following table sets forth a summary of our cash flows for the periods presented:

	For the Year Ended December 31,			For the Six Months Ended June 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Net cash used in operating activities	(252,157)	(280,705)	(40,889)	(63,653)	(389,034)	(56,669)
Net cash (used in) generated from investing activities	(157,665)	9,500	1,384	14,400	158,056	23,024
Net cash (used in) generated from financing activities	758,585	1,479,669	215,538	150,116	(30,000)	(4,370)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(132)	59,754	8,704	(8,737)	(3,093)	(451)
Net increase in cash, cash equivalents and restricted cash	348,631	1,268,218	184,737	92,126	(264,071)	(38,466)
Cash, cash equivalents and restricted cash, beginning of the year/period	64,082	412,713	60,118	412,713	1,680,931	244,855
Cash, cash equivalents and restricted cash, end of the year/period	412,713	1,680,931	244,855	504,839	1,416,860	206,389

We do not expect to generate any revenue from product sales unless and until we obtain regulatory approval of and commercialize one of our current or future drug candidates. We anticipate that we will continue to generate losses for the foreseeable future, and we expect the losses to increase as we continue the development of, and seek regulatory approvals for, our drug candidates and begin to commercialize any approved products. Upon the completion of this offering, we expect to incur additional costs associated with operating as a public company. In addition, subject to obtaining regulatory approval of any of our drug candidates, we expect to incur significant commercialization expenses for product sales, marketing and manufacturing. Accordingly, we anticipate that we will need substantial additional funding in connection with our continuing operations.

Based on our current operating plan, we believe that our current cash and cash equivalents and proceeds from this offering will be sufficient to meet our current and anticipated working capital requirements and capital expenditures for at least the next 12 months. In that time, we expect that our expenses will increase substantially as we fund new and ongoing research and development activities and working capital needs. We have based our estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of our drug candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures necessary to complete the development and commercialization of our drug candidates.

After this offering, we may decide to enhance our liquidity position or increase our cash reserve for future operations and investments through additional financing. The issuance and sale of additional equity would result in further dilution to our shareholders and ADS holders, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as an ADS holder. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations, which could potentially dilute your interest. If we raise additional funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or research programs or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or drug candidates that we would otherwise prefer to develop and market ourselves.

As of June 30, 2019, 14% of our cash and cash equivalents were denominated in RMB and held in China. In utilizing the proceeds we expect to receive from this offering, we may make additional capital contributions to our PRC subsidiaries, establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, make loans to our PRC subsidiaries, or acquire offshore entities with business operations in China in offshore transactions. However, most of these uses are subject to PRC regulations and approvals. See “Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to our PRC subsidiaries in China, which could materially and adversely affect our liquidity and our ability to fund and expand our business” and “Use of Proceeds” for more information on the related PRC rules and regulations on the use of proceeds.

We expect that the majority of our future revenues will be denominated in RMB. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, our PRC subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE approval by following certain routine procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future.

Operating Activities

Net cash used in operating activities for the six months ended June 30, 2019 was RMB389.0 million (US$56.7 million). Our net loss was RMB857.3 million (US$124.9 million) for the same period. The difference between our net loss and our net cash used in operating activities was primarily attributable to certain non-cash expenses or gains, including share-based compensation of RMB366.4 million (US$53.4 million) and fair value loss of warrants of RMB43.9 million (US$6.4 million), and changes in certain working capital items, including an increase in the research and development funding of RMB51.6 million (US$7.5 million), partially offset by an decrease in advance from customers of RMB14.2 million (US$2.1 million). The change in share-based compensation was attributable to issuances of share rewards to a director in 2019. The change in fair value of warrant liabilities was attributable to the increase in the valuation of our company.

Net cash used in operating activities for the year ended December 31, 2018 was RMB280.7 million (US$40.9 million). Our net loss was RMB402.8 million (US$58.7 million) for the same period. The difference between our net loss and our net cash used in operating activities was primarily attributable to certain non-cash expenses or gains, including fair value gains of warrants of RMB61.4 million (US$8.9 million), and changes in certain working capital items, including (i) an increase in the research and development funding of RMB178.7 million (US$26.0 million) and (ii) an increase in accruals and other payables of RMB55.6 million

(US$8.1 million), partially offset by an increase in prepayments and other receivables of RMB76.3 million (US$11.1 million). The accruals and other payables principally consist of accrued external research and development activities related expenses and staff salaries and welfare payables. The change in fair value of warrant liabilities was attributable to the exercise of part of the warrants issued in 2017 and the modification in 2018 that added certain forfeiture conditions to the warrants. Prepayments and other receivables primarily consist of our prepayment to CRO partners and value-added tax recoverable.

Net cash used in operating activities for the year ended December 31, 2017 was RMB252.2 million. Our net loss was RMB298.2 million. The difference between our net loss and our net cash used in operating activities was primarily attributable to certain non-cash expenses or gains, including the fair value loss of warrant liabilities of RMB14.0 million, and changes in certain working capital items, including (i) an increase in contract liabilities of RMB15.8 million and (ii) a decrease in prepayments and other receivables of RMB8.8 million.

Investing Activities

Net cash generated from investing activities for the six months ended June 30, 2019 was RMB158.1 million (US$23.0 million). The net cash increase was primarily attributable to RMB160.0 million (US$23.3 million) of the cash received from disposal of other financial assets.

Net cash generated from investing activities for the year ended December 31, 2018 was RMB9.5 million (US$1.4 million). The net cash increase was primarily attributable to RMB40.0 million (US$5.8 million) of the cash received from disposal of other financial assets, partially offset by RMB30.0 million (US$4.4 million) of the cash used in other financial assets.

Net cash used in investing activities for the year ended December 31, 2017 was RMB157.7 million. The net cash decrease was primarily attributable to RMB369.0 million of investments in other financial assets, partially offset by RMB133.0 million of proceeds from disposal of other financial assets and RMB93.3 million of cash acquired from acquisition of I-Mab Tianjin.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2019 was RMB30.0 million (US$4.4 million), primarily attributable to the repayment of bank borrowings of RMB80.0 million (US$11.7 million), partially offset by the proceeds of bank borrowings of RMB50.0 million (US$7.3 million).

Net cash generated from financing activities in the year ended December 31, 2018 was RMB1,479.7 million (US$215.5 million), primarily attributable to (i) proceeds from issuance of RMB1,306.6 million (US$190.3 million) convertible preferred shares and (ii) receipt of RMB132.3 million (US$19.3 million) resulting from the exercise of warrants by investors.

Net cash generated from financing activities in the year ended December 31, 2017 was RMB758.6 million, primarily attributable to proceeds of our issuance of RMB346.5 million convertible preferred shares, RMB161.2 million redeemable non-controlling interest and RMB99.0 million proceeds from bank borrowings.

Capital Expenditures

Our capital expenditures were incurred for purposes of purchasing property, equipment and software. Our capital expenditures were RMB20.3 million, RMB14.4 million (US$2.1 million) and RMB1.9 million (US$0.3 million) in the years ended December 31, 2017 and 2018 and the six months ended June 30, 2019, respectively.

We expect that our capital expenditures in 2019 will primarily consist of purchase of intangible assets and the costs relating to construction of our manufacturing facility in Hangzhou, China. We intend to fund our future capital expenditures with our existing cash and proceeds from this offering. We will continue to make capital expenditures to meet the expected growth of our business.

Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2018:

	Total		Less than 1 year		1-3 years		3-5 years		More than 5 years	
	RMB	US$	RMB	US$	RMB	US$	RMB	US$	RMB	US$
	(in thousands)									
Operating lease commitments	14,935	2,175	5,754	838	8,785	1,280	120	17	276	40

Our operating lease commitments relate to leases for our office premises pursuant to non-cancellable operating lease agreements. Other than as shown above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of December 31, 2018.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. In addition, we have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Internal Control Over Financial Reporting

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting. In connection with the audits of our consolidated financial statements included in this prospectus, we and our independent registered public accounting firm identified the following material weaknesses and other control deficiencies in our internal control over financial reporting. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses that have been identified relate to (i) our lack of sufficient and competent financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and SEC reporting and compliance requirements, to formalize key controls over financial reporting and to prepare consolidated financial statements and related disclosures; and (ii) our lack of sufficient documented financial closing policies and procedures, specifically those related to (a) accounting for licensing and collaboration agreements and (b) period end expenses cut-off and accruals. These material weaknesses, if not timely remedied, may lead to significant misstatements in our consolidated financial statements in the future.

We have implemented and plan to implement a number of measures to address the material weaknesses that have been identified in connection with the audits of our consolidated financial statements as of and for the years ended December 31, 2017 and 2018 and the review of the consolidated financial statements as of and for the six months ended June 30, 2019. We have hired additional qualified financial and accounting staff with working experience of U.S. GAAP and SEC reporting requirements, and plan to continue such hiring efforts. We intend to conduct regular and continuous U.S. GAAP accounting and financial reporting training programs for our financial reporting and accounting personnel. We further intend to establish sufficient and formal financial closing policies and procedures, specifically those related to accounting for licensing and collaboration arrangements and period end cut-off and accruals. We plan to, as work-in-progress, engage an external consulting firm to assist us to assess Sarbanes-Oxley Act compliance requirements and improve our overall

internal controls. Furthermore, we plan to prepare more detailed guidance on accounting policies, manuals and closing procedures to improve the quality and accuracy of our period end financing closing process. We will continue to implement these and other measures to remediate our internal control deficiencies. We may incur significant costs in the implementation of such measures. However, the implementation of these measures may not fully address the deficiencies in our internal control over financial reporting, and we cannot assure you that all of these measures will be sufficient to remediate our material weakness in time, or at all.

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting.

Inflation

To date, inflation in China has not materially affected our results of operations. According to the National Bureau of Statistics of China, the year-over-year percent changes in the consumer price index for January 2017, 2018 and 2019 were increases of 2.5%, 1.5% and 1.7%, respectively. Although we have not been materially affected by inflation in the past, we may be affected if China experiences higher rates of inflation in the future.

Holding Company Structure

We are a holding company with no material operations of its own. We currently conduct our operations primarily through our PRC subsidiaries. As a result, our ability to pay dividends depends upon dividends paid by our PRC subsidiaries. If our existing PRC subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our wholly foreign-owned subsidiaries in China are permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our subsidiaries and their subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of their registered capital. In addition, our wholly foreign-owned subsidiaries in China may allocate a portion of their after-tax profits based on PRC accounting standards to enterprise expansion funds and staff bonus and welfare funds at their discretion, and their subsidiaries may allocate a portion of their after-tax profits based on PRC accounting standards to a surplus fund at their discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE. Our PRC subsidiaries have not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

Quantitative and Qualitative Disclosures about Market Risk

Interest and Credit Risk

We had cash, cash equivalents and restricted cash of RMB412.7 million, RMB1,680.9 million (US$244.9 million) and RMB1,416.9 million (US$206.4 million) as of December 31, 2017 and 2018 and June 30, 2019, respectively. Our exposure to interest rate risk primarily relates to the interest income generated by excess cash, which is mostly held in interest-bearing bank deposits. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to material risks due to changes in interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure.

Our credit risk is primarily attributable to the carrying amounts of cash and cash equivalents. The carrying amounts of cash and cash equivalents represent the maximum amount of loss due to credit risk. We mainly place

or invest cash and cash equivalents with state-owned or reputable financial institutions in the PRC, and reputable financial institutions outside of the PRC. We do not believe that our cash and cash equivalents have significant risk of default or illiquidity, and we will continually monitor the credit worthiness of these financial institutions. While we believe our cash and cash equivalents do not contain excessive risk, future investments may be subject to adverse changes in market value.

Foreign Exchange Risk

Most of our revenues and expenses are denominated in RMB. Our management considers that the business is not exposed to any significant foreign exchange risk and we have not used any derivative financial instruments to hedge exposure to such risk. Although our exposure to foreign exchange risks should be limited in general, the value of your investment in our ADSs will be affected by the exchange rate between U.S. dollar and RMB because the value of our business is effectively denominated in RMB, while our ADSs will be traded in U.S. dollars.

RMB is not freely convertible into foreign currencies for capital account transactions. The value of RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange prices. On July 21, 2005, the PRC government changed its policy of pegging the value of the RMB to the U.S. dollar. Following the removal of the U.S. dollar peg, the RMB appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the RMB and the U.S. dollar remained within a narrow band. Since June 2010, the PRC government has allowed the RMB to appreciate slowly against the U.S. dollar again, and it has appreciated more than 10% since June 2010. On August 11, 2015, the People's Bank of China announced plans to improve the central parity rate of the RMB against the U.S. dollar by authorizing market-makers to provide parity to the China Foreign Exchange Trading Center operated by the People's Bank of China with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. Effective from October 1, 2016, the International Monetary Fund added RMB to its Special Drawing Rights currency basket. Such change and additional future changes may increase volatility in the trading value of the RMB against foreign currencies. The PRC government may adopt further reforms of its exchange rate system, including making the RMB freely convertible in the future. Accordingly, it is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between RMB and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into RMB for our operations, appreciation of RMB against the U.S. dollar would reduce the RMB amount we receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs, servicing our outstanding debt, or for other business purposes, appreciation of the U.S. dollar against the RMB would reduce the U.S. dollar amounts available to us.

As of June 30, 2019, we had RMB-denominated cash, cash equivalents and restricted cash of RMB171.6 million (US$25.0 million). A 10% depreciation of RMB against U.S. dollar based on the foreign exchange rate on June 30, 2019 would result in a decrease of US$2.5 million in cash and cash equivalents. A 10% appreciation of RMB against U.S. dollar based on the foreign exchange rate on June 30, 2019 would result in an increase of US$2.5 million in cash and cash equivalents.

Critical Accounting Policies and Significant Judgments and Estimates

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at

the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for amounts recorded in connection with acquisitions, including initial fair value determinations of assets and liabilities and other intangible assets as well as subsequent fair value measurements. Additionally, estimates are used in determining items such as useful lives of property, plant and equipment, write-down of inventories, allowance for doubtful accounts, share-based compensation, impairment of long-lived assets, impairment of other intangible asset and goodwill, taxes on income, tax valuation allowances and revenues from research and development projects. Actual results could differ from those estimates.

Revenue Recognition

We adopted Accounting Standard Codification ("ASC") 606, Revenue from Contracts with Customers (Topic 606) ("ASC 606") for all periods presented. Consistent with the criteria of Topic 606, we recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services.

Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration, if any; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. We only apply the five-step model to contracts when it is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services it transfers to the customer.

Once a contract is determined to be within the scope of ASC 606 at contract inception, we review the contract to determine which performance obligations it must deliver and which of these performance obligations are distinct. We recognize as revenue the amount of the transaction price that is allocated to each performance obligation when that performance obligation is satisfied or as it is satisfied.

Collaboration Revenue

At contract inception, we analyze its collaboration arrangements to assess whether they are within the scope of ASC 808, Collaborative Arrangements ("ASC 808") to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, we first determine if the collaboration is deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For the collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently.

Our collaborative arrangements may contain more than one unit of account, or performance obligation, including grants of licenses to intellectual property rights, agreement to provide research and development services and other deliverables. The collaborative arrangements do not include a right of return for any deliverable. As part of the accounting for these arrangements, we must develop assumptions that require judgment to determine the stand-alone selling price for each performance obligation identified in the contract. In developing the stand-alone selling price for a performance obligation, we consider competitor pricing for a similar or identical product, market awareness of and perception of the product, expected product life and current market trends. In general, the consideration allocated to each performance obligation is recognized when the respective obligation is satisfied either by delivering a good or providing a service, limited to the consideration that is not constrained.

When the timing of the delivery of product is different from the timing of payments made by the customers, we recognizes either a contract asset (performance precedes the contractual due date) or a contract liability (customer payment precedes performance). Our contractual payment terms are typically due in no more than 30 days from invoicing. In limited situations, certain customer contractual payment terms require us to bill in arrears; thus, we satisfy some or all of our performance obligations before we are contractually entitled to bill the customer. In these situations, billing occurs subsequent to revenue recognition, which results in a contract asset. For example, certain of the contractual arrangements do not permit us to bill until the completion of the production of the samples. In other limited situations, certain customer contractual payment terms allow us to bill in advance; thus, we receive customer cash payment before satisfying some or all of its performance obligations. In these situations, billing occurs in advance of revenue recognition, which results in contract liabilities.

Licenses of Intellectual Property

Upfront non-refundable payments for licensing our intellectual property are evaluated to determine if the license is distinct from the other performance obligations identified in the arrangement. For licenses determined to be distinct, we recognize revenues from non-refundable, up-front fees allocated to the license at a point in time, when the license is transferred to the licensee and the licensee is able to use and benefit from the license.

Research and Development Services

The portion of the transaction price allocated to research and development services performance obligations is deferred and recognized as collaboration revenue over time as delivery or performance of such services occurs.

Milestone Payments

At the inception of each arrangement that includes development, commercialization, and regulatory milestone payments, we evaluate whether the milestones are considered probable of being reached and to the extent that a significant reversal of cumulative revenue would not occur in future periods, estimates the amount to be included in the transaction price using the most likely amount method. The transaction price is then allocated to each performance obligation on a relative stand-alone selling price basis, for which we recognize revenue as or when the performance obligations under the contract are satisfied. At the end of each subsequent reporting period, we re-evaluate the probability of achieving such development milestones and any related constraint, and if necessary, adjust our estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues and earnings in the period of adjustment.

Royalties

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, we recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Research and Development Expenses

Elements of research and development expenses primarily include: (1) payroll and other related expenses of personnel engaged in research and development activities, (2) in-licensed patent rights fee of exclusive development rights of drugs granted to us, (3) expenses related to pre-clinical testing of our technologies under development and clinical trials such as payments to contract research organizations (“CRO”), investigators and clinical trial sites that conduct our clinical studies, (4) costs to develop the drug candidates, including raw materials and supplies, product testing, depreciation, and facility related expenses, and (5) other research and development expenses. Research and development expenses are charged to expense as incurred when these expenditures relate to our research and development services and have no alternative future uses.

We have acquired rights to develop and commercialize drug candidates. Upfront payments that relate to the acquisition of a new drug compound, as well as pre-commercial milestone payments, are immediately expensed as acquired in-process research and development in the period in which they are incurred, provided that the new drug compound did not also include processes or activities that would constitute a "business" as defined under U.S. GAAP, the drug has not achieved regulatory approval for marketing and, absent obtaining such approval, has no established alternative future use. Milestone payments made to third parties subsequent to regulatory approval would be capitalized as intangible assets and amortized over the estimated remaining useful life of the related product. The conditions enabling capitalization of development expenses as an asset have not yet been met and, therefore, all development expenditures are recognized in profit or loss when incurred.

Share-Based Compensation

We grant restricted shares and stock options to eligible employees and account for share-based compensation in accordance with ASC 718, *Compensation—Stock Compensation.*

Employees' share-based compensation awards are measured at the grant date fair value of the awards and recognized as expenses (i) immediately at the grant date if no vesting conditions are required; (ii) for share-based awards granted with only service conditions, using the graded vesting method net of estimated forfeitures over the vesting period; or (iii) for share-based awards granted with service conditions and the occurrence of an initial public offering as performance condition cumulative share-based compensation expenses for the options that have satisfied the service condition should be recorded upon the completion of the initial public offering using the graded vesting method.

A change in any of the terms or conditions of share-based awards is accounted for as a modification of the awards. We calculate incremental compensation expense of a modification as the excess of the fair value of the modified awards over the fair value of the original awards immediately before its terms are modified at the modification date. For vested awards, we recognize incremental compensation cost in the period when the modification occurs. For awards not being fully vested, we recognize the sum of the incremental compensation expense and the remaining unrecognized compensation expense for the original awards over the remaining requisite service period after modification.

Share-based compensation in relation to the restricted shares is measured based on the fair market value of our ordinary shares at the grant date of the award. Prior to the listing, estimation of the fair value of our ordinary shares involves significant assumptions that might not be observable in the market, and a number of complex and subjective variables, including discount rate, and subjective judgments regarding our projected financial and operating results, its unique business risks, the liquidity of its ordinary shares and its operating history and prospects at the time the grants are made. Share-based compensation in relation to the share options is estimated using the Binominal Option Pricing Model. The determination of the fair value of share options is affected by the share price of our ordinary shares as well as the assumptions regarding a number of complex and subjective variables, including the expected share price volatility, risk-free interest rate, exercise multiple and expected dividend yield. The fair value of these awards was determined with the assistance from an independent valuation firm.

Restricted ordinary shares

During the year ended December 31, 2016, we issued 4,019,554 ordinary shares to Mr. Zang Jingwu Zhang, Ms. Qian Lili, Mr. Wang Zhengyi and Mr. Fang Lei (collectively the "Founders"), and we recorded share-based compensation expense of RMB18.7 million for issuance and grant of 3,650,253 ordinary shares to the Founders in June 2016.

In October 2016, the Founders entered into an arrangement with our other investors, and the 87,441 ordinary shares issued to the Founders in June 2016 were cancelled, and out of the remaining 3,932,113 ordinary shares

held by the Founders, 70% became restricted and subject to service vesting conditions, that shall vest 20%, 20% and 30% over the next three years, respectively, and these unvested restricted shares will be vested immediately upon the listing.

Deferred share-based compensation was measured for the restricted shares using the estimated fair value of our ordinary shares of US$0.77 at the date of imposition of the restriction in October 2016, and was amortized to the consolidated statements of comprehensive loss by using graded vesting method over the vesting term of 3 years. The following table summarizes our Founders' restricted shares activities for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2018 and 2019:

	Numbers of shares	Weighted-average grant date fair value
Outstanding at December 31, 2016	2,752,479	0.77
Vested	(786,423)	
Outstanding at December 31, 2017 and June 30, 2018	1,966,056	0.77
Vested	(786,423)	
Outstanding at December 31, 2018 and June 30, 2019	1,179,633	0.77

The shared-based compensation expense in relation to the restricted ordinary shares recognized in the years ended December 31, 2017 and 2018 and the six months ended June 30, 2018 and 2019 was RMB7,039 thousand and RMB3,520 thousand, RMB1,929 thousand and RMB1,026 thousand, respectively.

Shared-based compensation expenses relating to restricted shares were included in:

	Year Ended December 31,			Six Months Ended June 30,		
	2017	2018		2018	2019	
	RMB'000	RMB'000	US$'000	RMB'000	RMB'000	US$'000
Research and development expenses	2,112	1,056	154	579	308	45
Administrative expenses	4,927	2,464	359	1,350	718	104
	7,039	3,520	513	1,929	1,026	149

2017 Employee Stock Option Plan ("2017 Plan").

In October 2017, we adopted the 2017 Plan. Under the 2017 Plan, a maximum aggregate number of 13,376,865 shares that may be issued pursuant to all awards granted were approved. Stock options granted to an employee under the 2017 Plan will be exercisable upon the completion of a listing and the employee renders service to us in accordance with a stipulated service schedule starting from the employee's date of employment. Employees are generally subject to a three-year service schedule, under which an employee earns an entitlement to vest in 50% of the option grants on the second anniversary of the grant date, a vesting of the remaining fifty percent 50% on the third anniversary of the applicable grant date. The stock options under the 2017 Plan, to the extent then vested, shall become exercisable only upon the earlier of (i) a listing, and (ii) occurrence of a change in control.

We granted 10,646,783, 1,470,000, 305,000 and nil stock options to employees, all with an exercise price of US$1, for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2018 and 2019, respectively. No options are exercisable as of December 31, 2017 and 2018, June 30, 2018 and 2019 and prior to the completion of a listing.

The following table sets forth the stock options activities for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2018 and 2019:

	Number of shares	Weighted average exercise price US$	Weighted average remaining contractual term	Aggregate intrinsic value US$
Outstanding as of December 31, 2016	—	—	—	—
Granted	11,051,230	1.00	—	—
Other addition (note)	710,366	1.00	—	—
Outstanding as of December 31, 2017	11,761,596	1.00	8.50	4,890
Granted	1,470,000	1.00	—	—
Forfeited	(226,000)	1.00	—	—
Outstanding as of December 31, 2018	13,005,596	1.00	8.61	10,129
Exercisable as of December 31, 2018	—	—	—	—
Granted	—	—	—	—
Forfeited	(266,000)	1.00	—	—
Repurchased	(3,435,215)	1.00	—	—
Outstanding as of June 30, 2019	9,304,381	1.00	7.94	8,377
Exercisable as of June 30, 2019	—	—	—	—

Note: Other addition represented the modified share options that originally granted to two senior management employees in October 2016 (see "—other share-based compensation").

Stock options granted to the employees were measured at fair value on the dates of grant using the Binomial Option Pricing Model with the following assumptions:

	Year ended December 31,		Six months ended June 30,	
	2017	2018	2018	2019
Expected volatility	62.34%	61.32%-62.13%	61.54%-62.13%	N/A
Risk-free interest rate (per annum)	2.32%	2.81%-3.06%	2.81%-2.92%	N/A
Exercise multiple	2.8	2.8	2.8	N/A
Expected dividend yield	—	—	—	N/A
Contractual term (in years)	10	10	10	N/A

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of our options. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US$ for a term consistent with the expected term of our options in effect at the option valuation date. The expected exercise multiple was estimated as the average ratio of the stock price to the exercise price when employees would decide to voluntarily exercise their vested options. As we did not have sufficient information of past employee exercise history, it was estimated by referencing to a widely-accepted academic research publication. Expected dividend yield is zero as we have never declared or paid any cash dividends on its shares, and we do not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the option.

There were no stock options granted to employees under 2017 Plan for the six months ended June 30, 2019. The fair value of stock options granted to employees for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2018 amounted to RMB99.0 million and RMB45.2 million, RMB7.1 million, respectively. Since the exercisability is dependent upon the listing, and it is not probable that this performance condition can be achieved until a listing is effective, no share-based compensation expense relating to the 2017

Plan was recorded for the years ended December 31, 2017 and 2018 and the six months ended June 30, 2018 and 2019. We will recognize compensation expenses relating to options vested cumulatively upon the completion of our listing.

2018 Employee Stock Option Plan ("2018 Plan")

On February 22, 2019, our company adopted the 2018 Plan. Under 2018 Plan, the maximum aggregate number of ordinary shares which may be issued pursuant to all awards is 14,005,745, subject to further amendment. If our company successfully lists on an internationally recognized securities exchange for a Qualified Public Offering by December 31, 2019, the maximum aggregate number of ordinary shares which may be issued shall be 15,452,620.

Stock options granted to an employee under the 2018 Plan will be generally exercisable when our company completes a listing and the employee renders service to our company in accordance with a stipulated service schedule starting from the employee's date of employment. Employees are generally subject to a two-year vesting schedule consisting of a cliff vesting of 50% of the stock options on the first anniversary of the applicable vesting commencement date and a vesting of the remaining 50% on the second anniversary of the applicable vesting commencement date. If a listing occurs at any time prior to any stock option granted under the 2018 Plan becoming fully vested, to the extent such stock option has been granted and is outstanding, any such stock option shall vest in full with immediate effect upon the listing. Except as otherwise approved by the Board of Directors, any vested portion of the stock options shall become exercisable upon the earlier of six months after a listing or the occurrence of a change in control; provided, however, that in each case, no stock option of an employee shall become exercisable until the third anniversary of such employee's employment commencement date.

Pursuant to the 2018 Plan adopted on February 22, 2019, the 10,893,028 stock options granted to a director of our company under the 2018 Plan were fully vested and exercisable upon the adoption of 2018 Plan. Out of these 10,893,028 stock options, 454,940 stock options have been repurchased by our company (see Note 17 (d) to our unaudited interim condensed consolidated financial statements for further details).

The amounts of shared-based compensation expense in relation to the stock options (except for those repurchased by a director of our company as described in Note 17 (d) to our unaudited interim condensed consolidated financial statements) recognized in the six months ended June 30, 2019 was RMB365,330, which were allocated to our administrative expenses.

The following table sets forth the stock options activities for the six months ended June 30, 2019:

	Number of shares	Weighted average exercise price US$	Weighted average remaining contractual term	Aggregate intrinsic value US$
Outstanding as of January 1, 2019	—	—	—	—
Granted	10,893,028	1.00	—	—
Repurchased (Note 17 (d))	(454,940)	1.00	—	—
Outstanding as of June 30, 2019	10,438,088	1.00	9.66	42,207
Exercisable as of June 30, 2019	10,438,088	1.00	9.66	42,207

Stock options granted to the employees were measured at fair value on the dates of grant using the Binomial Option Pricing Model with the following assumptions:

	Six months ended June 30, 2019
Expected volatility	56.307%
Risk-free interest rate (per annum)	2.752%
Exercise multiple	2.80
Expected dividend yield	—
Contractual term (in years)	10

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of our company's options. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US$ for a term consistent with the expected term of our company's options in effect at the option valuation date. The expected exercise multiple was estimated as the average ratio of the stock price to the exercise price when employees would decide to voluntarily exercise their vested options. As our company did not have sufficient information of past employee exercise history, it was estimated by referencing to a widely-accepted academic research publication. Expected dividend yield is zero as our company has never declared or paid any cash dividends on its shares, and our company does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the option.

Repurchase of share awards held by a director

On February 22, 2019, the amendment and restated 2017 equity incentive plan was approved by the Board of Directors of our company, pursuant to which only the 3,435,215 stock options held by a director of our company under the 2017 equity incentive plan became fully vested and exercisable on February 22, 2019. As a result of the performance condition being waived, the shares held by a director of our company were accounted for as a Type III modification where a condition that our company expects will not be satisfied is changed to a condition that our company expects will be satisfied.

Additionally, on the same day, our company repurchased such 3,435,215 stock options under the amendment and restated 2017 equity incentive plan that was held by a director of our company along with 454,940 of his stock options under the 2018 equity incentive plan for which the share awards also became fully vested and exercisable, at a total consideration of US$21,902 (equivalent to approximately RMB148,308) at an average share price of US$5.63 per share.

Our company recorded the total payment of US$21,902 (equivalent to approximately RMB148,308) as share-based compensation costs in the condensed statement of comprehensive loss. There was no impact to the overall stockholder's equity balance as the amended shares vested immediately and were repurchased.

Other share-based compensation

For the year ended December 31, 2016, we recorded share-based compensation expense of RMB3.3 million for issuance and grant of 710,366 stock options to two senior management employees in October 2016, as rewards for their services they had performed in the past and in exchange for their full-time devotion and professional expertise. Stock options granted to the two employees were exercisable once granted, with an exercise price of US$0.06.

In October 2017, in connection with the adoption of the 2017 Plan, we amended the stock option agreement with the two aforementioned employees, under which the stock options would become exercisable only upon the earlier of (i) a listing, and (ii) occurrence of a change in control that defined in the stock option agreements. As

the modification of terms and conditions of share-based compensation were not beneficial to its employees, no further accounting impact was resulting from it.

Fair Value of Ordinary Shares

We are required to estimate the fair value of the ordinary shares on grant dates of share-based compensation awards/share option to our employees and the issuance of financial instruments to investors. Therefore, our board of directors has estimated the fair value of our ordinary shares on various dates, with inputs from management, considering the third-party valuations. The valuations of our ordinary shares were performed using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants Audit and Accounting Practice Aid Series: Valuation of Privately-Held-Company Equity Securities Issued as Compensation, or the AICPA Practice Guide.

In addition, our board of directors considered various objective and subjective factors, along with inputs from management and the independent third-party valuation firm, to determine the fair value of our ordinary shares, including: external market conditions affecting the biopharmaceutical industry, trends within the biopharmaceutical industry, the prices at which we sold convertible preferred shares, the superior rights and preference of the convertible preferred shares or other senior securities relative to our ordinary shares at the time of each grant and the likelihood of achieving a liquidity event such as an initial public offering. The option-pricing method was used to allocate the enterprise's value to preferred shares or other senior securities and ordinary shares, taking into account the guidance prescribed by the AICPA Practice Guide. This method treats ordinary shares and convertible preferred shares or other senior securities as call options on the enterprise's value, with exercise prices based on their respective payoffs upon a liquidity event.

In determining the enterprise's value, we applied the market approach/backsolve method based on pricing from recent transactions in our own securities. The basis for application of this method is our transactions in equity securities with unrelated parties or among unrelated parties themselves. No evidence is observed to indicate these transactions are not arm's-length transactions.

Our board of directors determined the fair value of our share options and the restricted shares as of the dates of grant, taking into consideration the various objective and subjective factors described above, including the conclusion of valuation of our ordinary shares as of dates close to the grant dates of our share options and the restricted shares. We computed the per share estimated fair value for share options based on the binomial option pricing model and the per share estimated fair value for restricted shares based on per share estimated fair value of ordinary shares as of the date of grant.

Once public trading market of the ADSs has been established in connection with the completion of this offering, it will no longer be necessary for our board of directors to estimate the fair value of our ordinary shares in connection with our accounting for granted share options and restricted shares.

Fair Value Measurements

Our financial assets and liabilities primarily comprise of cash and cash equivalents, restricted cash, other financial assets, contract assets, other receivables, short-term borrowings, accruals and other payables and warrant liabilities. As of December 31, 2017 and 2018, and June 30, 2019 except for other financial assets and warrants liabilities, the carrying values of these financial assets and liabilities approximated their fair values because of their generally short maturities. We report other financial assets and warrant liabilities at fair value at each balance sheet date and changes in fair value are reflected in the consolidated statements of comprehensive loss.

We measure our financial assets and liabilities using inputs from the following three levels of the fair value hierarchy. The three levels are as follows:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets that the management has the ability to access at the measurement date.

Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 includes unobservable inputs that reflect the management's assumptions about the assumptions that market participants would use in pricing the asset. The management develops these inputs based on the best information available, including the own data.

We measured our short-term investments at fair value on a recurring basis. As our other financial assets and derivative liabilities are not traded in an active market with readily observable prices, we use significant unobservable inputs to measure the fair value of other financial assets, and derivatives liabilities. These instruments are categorized in the Level 3 valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement.

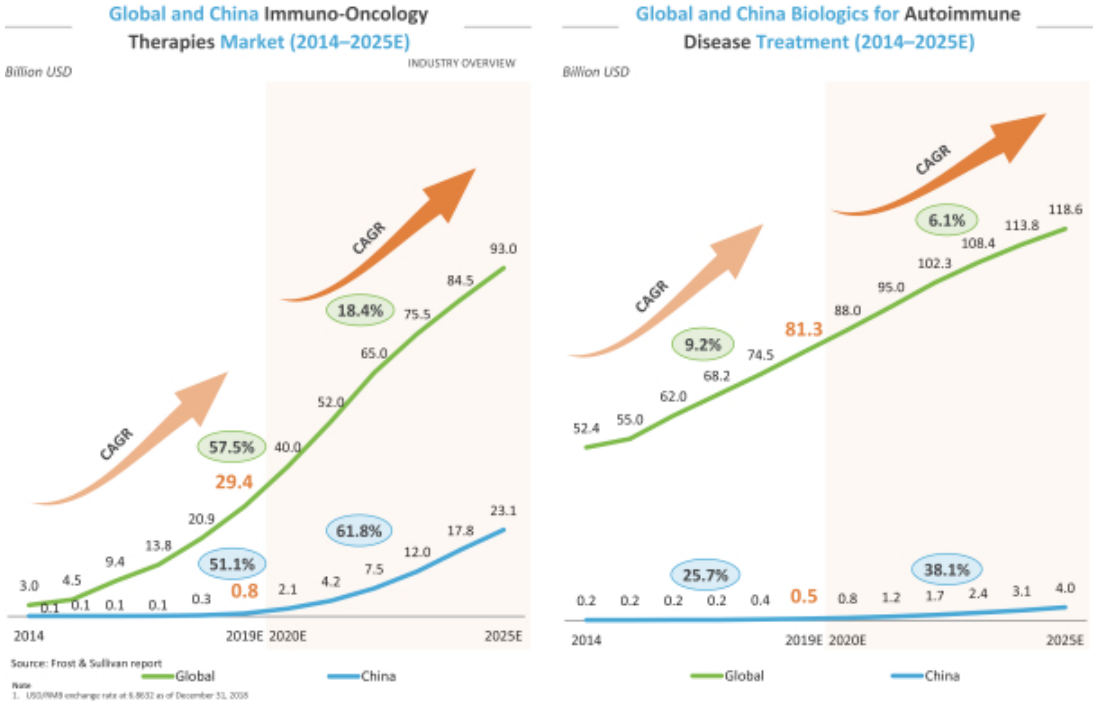
Recent Accounting Pronouncements

A list of recently issued accounting pronouncements that are relevant to us is included in note 2 "Principal Accounting Policies – 2.24 Recent Accounting Pronouncements" of our consolidated financial statements included elsewhere in this prospectus.

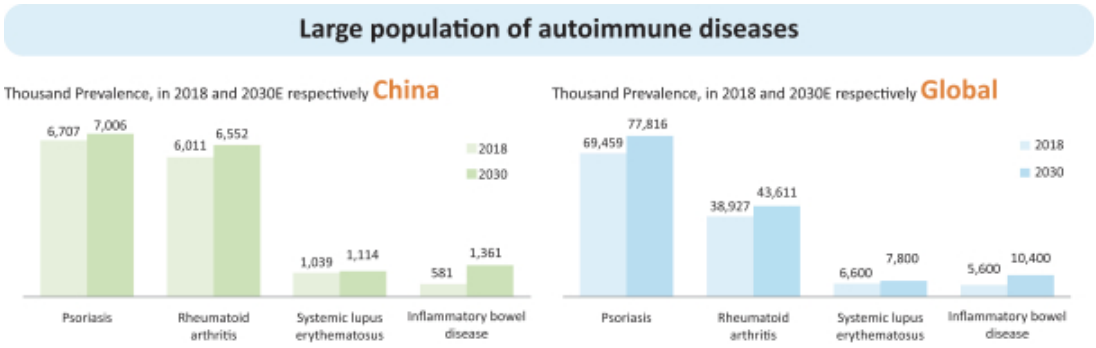
INDUSTRY

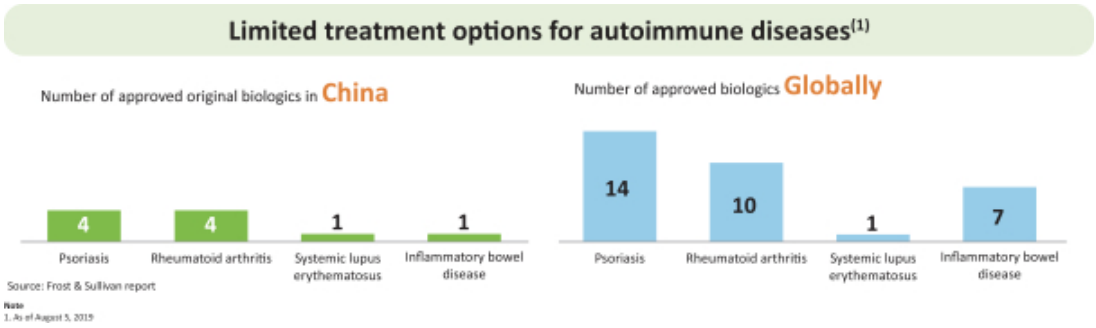
We see vast commercial opportunities for immuno-oncology and autoimmune biologics therapies. In 2018, approximately 60.8% of the antibody-based biologics in terms of global sales revenue targeted conditions in these areas, according to the Frost & Sullivan Report. In China, the need for efficacious drugs to treat cancer and autoimmune diseases is rising due to limited availability of such medicines and delayed access to global innovative medicines.

The figure below illustrates the historical and projected market sizes of immune-oncology therapies and autoimmune disease treatment globally and in China.



The figure below illustrates the unmet medical need for autoimmune diseases globally and in China.





Despite the recent success of checkpoint inhibitors, such as PD-1 and PD-L1, clinical efficacy of these drugs has not lived up to expectations. The Frost & Sullivan Report estimates that more than 60% of cancer patients, including those with melanoma, renal cell cancer, colorectal cancer, non-small cell lung cancer, urothelial cancer and head and neck squamous cell carcinoma, do not respond to PD-1/PD-L1 monotherapies. Even for the tumor type with a high tumor mutational burden (i.e., the total number of mutations with coding region of a tumor cell genome) the ORR rarely exceeds 30% for PD-1/PD-L1 therapies. Similar findings are observed using PD-L1 as a biomarker in the treatment of NSCLC with pembrolizumab: the average ORR is 41% for PD-L1 positive tumor and 13% for PD-L1 negative tumor. The immuno-oncology field has been diligently seeking a more efficacious therapy with treatment agent(s) that works synergistically with PD-1/PD-L1 therapies. Such a novel combination therapy may provide an effective treatment option for those who do not respond to current PD-1/PD-L1 therapies. For example, our investigational drugs, including TJ107, enoblituzumab, TJC4, and TJD5, are intended to work as combination therapies with PD-1/PD-L1 regimens to address unmet medical needs in oncology. Currently, our target indications in the area of immuno-oncology cover a variety of hematologic malignancies, such as multiple myeloma, lymphoma and solid tumors, such as head and neck cancer, and cancer treatment-related lymphopenia. For autoimmune diseases, our target indications include systemic lupus erythematosus, ulcerative colitis, rheumatoid arthritis and other IL-6-implicated autoimmune diseases. The discussion below provides (i) an overview of the market trends and growth drivers in China's biologics market and (ii) an overview of the competitive landscape and key segments with respect to our most advanced clinical stage product candidates.

Trends and Growth Drivers of Biologics Market in China

According to the Frost & Sullivan Report, the growth of China's biologics market is attributable, in particular, to:

- *Large and Growing Oncology and Autoimmune Disease Patient Populations*—China's oncology patient population, especially treatment-naive patients, has been increasing over the years. New cases of cancers in China reached 4.3 million in 2018 and are projected to reach 4.9 million in 2023. China also has a large autoimmune disease population. In 2018, systemic lupus erythematosus, ulcerative colitis and rheumatoid arthritis affected approximately 1.0 million, 0.4 million and 5.9 million patients in China, respectively.
- *Unmet Demands for Innovative Biologics Therapies Targeting Oncology*—Many biologics, especially monoclonal antibodies, have proved to have superior efficacy and less side effects for treating cancer. However, many antibody drugs approved to treat cancer in the United States are not available in China. From 1997 to 2018, 37 therapeutic antibodies were launched globally, but only seven of them are marketed in China.
- *Unmet Demands for Effective Therapies Targeting Autoimmune Diseases*—To date, there are no curative therapies for many autoimmune diseases. Targeted biologics that aim to improve physical functioning and prevent irreversible tissue or organ damage offer a promising trajectory. This class of

biologics is expected to stimulate the biologics market that targets autoimmune diseases in China. The sales revenue of this market was RMB2.5 billion in 2018 and is projected to increase to RMB87.8 billion in 2030, representing a compound annual growth rate ("CAGR") of 34.6%.

- *Increasing Cost Burden of Autoimmune Diseases*—Autoimmune diseases have been reported to be on the rise in China, making this poorly understood category of diseases a public health issue at levels comparable to heart disease and cancer. Because of a lack of effective treatment and awareness amongst the general public and medical practitioners, the associated cost of autoimmune diseases accounts for a significant portion of the rising cost of healthcare burden in China. Innovative biologic treatments, as a means of reducing healthcare spending while ensuring improved public health, can help address the mounting pressure surrounding autoimmune diseases.
- *Increasing Investment in Biologics*—Research and development in innovative biologics therapies is the key to industry growth. Discovery and development of new biologics is a long, difficult and expensive process. Research and development investment for biologics in China is expected to continue rising in the future, leading to more new products entering the market. The continuous launch of new products will further drive the growth of China's biologics industry.
- *Favorable Environment for Clinical Trials*—With nearly a one-fourth of the world's cancer patient population, China provides an excellent opportunity to access a large patient pool and clinical resources for oncology drug development and market demands. The Chinese government has taken initiatives to address regulatory challenges that previously caused a lag in clinical trial applications of therapeutic biologics. Notably, in October 2017, the General Office of the CPC Central Committee and the General Office of the State Council issued the Opinions on Deepening the Reform of the Evaluation and Approval Systems and Encouraging Innovation on Drugs and Medical Devices, which aims to improve the regulatory approval process and encourage technological innovation for new drugs. In addition, in July 2018, the NMPA implemented Technical Guidelines for Accepting Data from Overseas Clinical Trials of Drugs, which significantly shortens the registration process and provides potential clinical trial exemptions for drugs that have robust clinical data from trials conducted overseas.
- *Increasing Affordability*—The average disposable income of the Chinese population is expected to continue growing rapidly, increasing the willingness and ability of patients to pay for medications. In 2019, households with an annual disposable income of over US$30,000 accounted for 38.1% of the total households in China and are expected to increase to 56.5% of the total households in China by 2023. As more Chinese households increase their spending power, they can afford more expensive medical treatments, particularly for life-threatening diseases. In addition, inclusion of a drug in the National Reimbursement Drug List ("NRDL") typically results in a much higher sales volume and significant sales growth despite a reduction in price. Such inclusion is expected to be implemented for innovative biologics on a regular basis, suggesting that more biologics are expected to be covered by the NRDL in the future, further increasing the affordability of biologics in China. As biologics become increasingly affordable to the general public, they will be used more commonly as a treatment for oncology and autoimmune diseases. As a result, the market size of the biologics industry in China is expected to continue to grow.

Multiple Myeloma

Overview

Multiple myeloma ("MM") is a type of blood cancer that starts in the bone marrow and is characterized by excessive proliferation of malignant plasma cells that accumulate in the bone marrow, where they displace and suppress healthy blood progenitor cell populations, cause destructive lytic bone lesions (rounded, punched-out areas of the bone), diffuse osteoporosis, bone pain, and produce abnormal proteins that accumulate in the urine, and anemia.

In Greater China, new cases of MM reached approximately 20,500 in 2018 and is expected to increase to approximately 23,700 in 2023, representing a CAGR of 2.9%, according to the Frost & Sullivan Report. MM is primarily a disease of the elderly, and this population of patients 65 years and older continues to grow at a fast clip in China. In fact, the new incidence of MM in China is projected to reach approximately 28,300 in 2030, representing a CAGR of 2.6% from 2023 to 2030.

Treatment of MM

MM treatment is individualized but generally includes small molecules drugs and biologics. The primary treatment regimens are cytoreductive chemotherapies, in combination with stem cell transplants, aimed at achieving a cure, if possible. In addition, MM patients require substantial supportive therapy aimed at managing complications of the disease (such as bone damage) and ameliorating the side effects of treatment. There are a number of drug classes for MM treatment, including monoclonal antibodies, immunomodulatory drugs, proteasome inhibitors, chemotherapy, histone deacetylase inhibitors, and steroids. A patient's individual treatment plan is based on factors such as age and general health, results of laboratory and cytogenetic (genomic) tests, symptoms and disease complications, prior myeloma treatment as well as the patient's lifestyle, goals, views on quality of life, and personal preferences. In addition, many cancer centers have developed their own guidelines for treating MM. In China, drugs approved for treating relapsed or refractory MM ("RRMM") include daratumumab (Darzalex from Janssen), lenalidomide (Revlimid from Celgene), thalidomide (Thalomid from Celgene) bortezomib (Velcade from Takeda), and ixazomib (Ninlaro from Takeda).

Unmet Medical Need

Currently, there is no curative treatment for RRMM. Although the currently marketed CD38 antibody product is efficacious, it takes a long time to be administered by IV infusion (up to six hours) and causes a high infusion reaction rate ("IRR"). In clinical trials, approximately half of all patients experience an infusion reaction, which may include fever, chills, nausea, bronchospasm, hypoxia, dyspnea, hypertension, laryngeal edema and pulmonary edema. Thus, there is a need for a safer and convenient-to-use drug. Such a drug may be combined with other therapeutic agents for better treatment effects in RRMM.

Competitive Landscape

There are various monotherapy agents and combination treatments currently under clinical development targeting different lines of MM therapies. Our TJ202, if approved, is a potentially highly differentiated CD38 monoclonal antibody and could be the second antibody therapy for MM to launch in China. The following tables illustrate the competitive landscape of biologic MM therapies targeting CD38 antibody in China and the rest of the world. (*Source: Frost & Sullivan Report*)

Marketed CD38 Antibody Drug for Treating MM

Product	Company	FDA Approval Time	NMPA Approval Time	Patent Expiry in the U.S.	Global Sales Revenue in 2018 (in Bn, US$)
Daratumumab IV	Johnson & Johnson	2015	2019	2026	2.0

Investigational CD38 Antibody Drugs for Treating MM

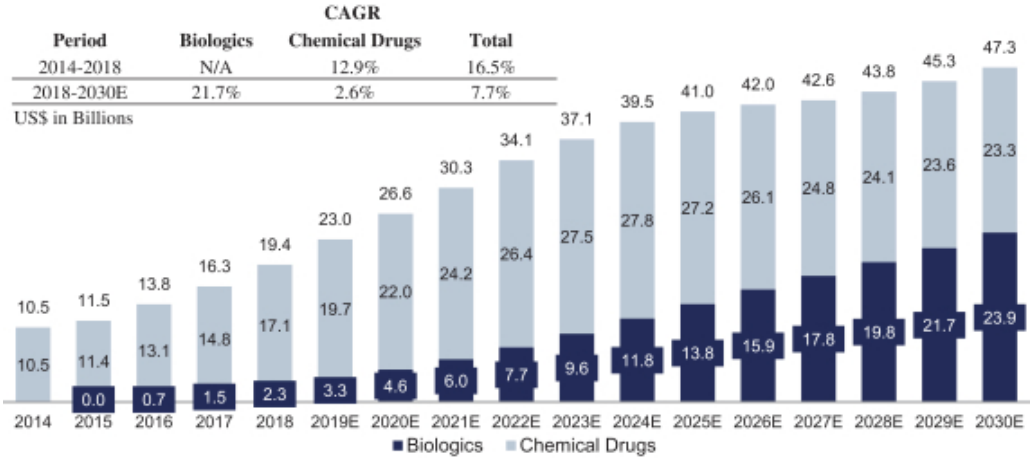
Investigational Drugs [1]	Company	Global Status	China Status
Daratumumab SC	Johnson & Johnson	Phase 3	N/A
Isatuximab	ImmunoGen and Sanofi	BLA	Phase 3
TJ202[2]	**I-Mab**	**N/A**	**Phase 3**
TAK-079	Takeda	Phase 1/2	N/A

Notes:
(1) Investigational drugs prior to Phase 2 clinical trials are not included in this table.
(2) In November 2017, we and MorphoSys entered into an exclusive regional licensing agreement to develop and commercialize MOR202, which we refer to as TJ202 in this prospectus, in Greater China (including Taiwan, Hong Kong and Macao). TJ202 is currently undergoing two registrational clinical trials in relapsed/refractory multiple myeloma in Greater China. We aim to submit a new drug application ("NDA") to the NMPA for TJ202 as a monotherapy in 2021.

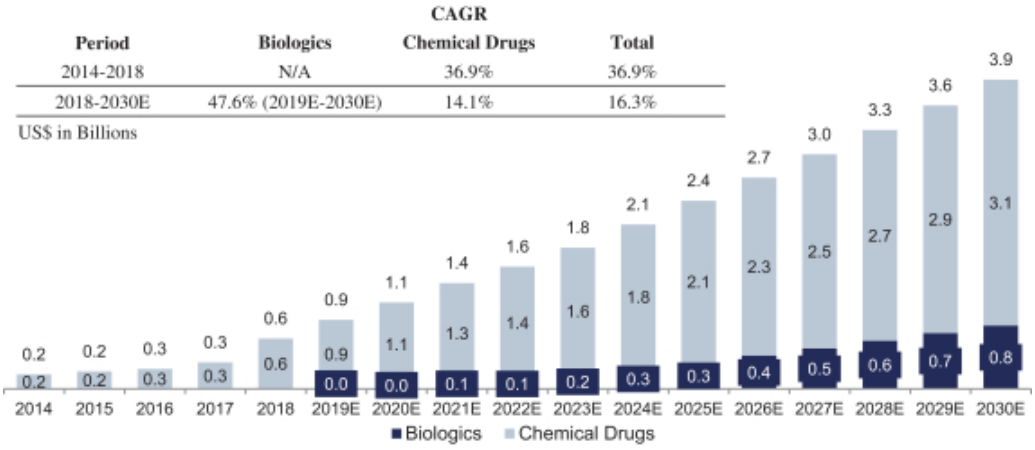
Historical and Forecast Market Size of MM Therapeutics Globally and in China

The following diagrams illustrate the market size of all MM therapeutics in terms of sales revenue globally and in China. (*Source: Frost & Sullivan Report*)

Global MM Therapeutics Market Size (2014-2030E)



China MM Therapeutics Market Size (2014-2030E)



Head and Neck Cancer

Overview

Head and neck cancers occur in various parts of the head and neck, including the mouth, nose, throat, larynx, sinuses, and salivary glands. More than 90% of head and neck cancers are classified as squamous cell carcinomas ("SCCHN"), which begins in the squamous cells that line the moist, mucosal surfaces inside the head and neck. Symptoms of head and neck cancers may include a lump or sore that does not heal, a sore throat that does not go away, difficulty swallowing or breathing, a change or hoarseness in the voice, unusual bleeding, and facial swelling. According to the Frost & Sullivan Report, in Greater China, new cases of head and neck cancer reached approximately 140,200 in 2018 and are predicted to increase to approximately 155,300 in 2023, representing a CAGR of 2.1%, and new cases of head and neck cancers in China are projected to grow, reaching approximately 173,400 in 2030 with a CAGR of 1.6% from 2023 to 2030.

Treatment of Head and Neck Cancer

The treatment principles and regimens for head and neck cancer in China are similar to those in the rest of the world. Treatment strategies often depend on the location and stage of the cancer, the patient's physical status, and response to prior treatments. Early-stage disease is primarily treated with surgical resection, while patients with locally advanced, recurrent or metastatic disease are typically treated with drug therapy. The combination of surgery and drug therapy, with or without radiation therapy, is the current standard of care for Stage 3 SCCHN patients with locally advanced disease. Platinum-based chemotherapy regimens are widely used as first-line therapies for Stage 4 and distant relapse patients. Erbitux (cetuximab from Eli Lilly and Merck KGaA) was approved in 2006 as a first-line treatment of locally advanced SCCHN in combination with radiation therapy. Regimens containing Erbitux, platinum-based chemotherapy, and 5-fluorouracil, known as EXTREME, are often considered as the standard of care for first-line treatment of distant relapse SCCHN. Second-line therapy is highly varied, including single-agent docetaxel or paclitaxel, Erbitux monotherapy, or Erbitux/pacitaxel combination therapy.

In 2016, PD-1 inhibitors were approved globally as a second-line therapy and more recently, Keytruda (pembrolizumab from Merck & Co), as a single agent or in combination with chemotherapy, was approved by the FDA as a first-line therapy for metastatic or unresectable recurrent SCCHN, but no PD-1 inhibitors have been approved for this indication in China.

Unmet Medical Need

According to Datamonitor Healthcare's epidemiology forecast (2016-2036), 76% of all actively treated patients with SCCHN have Stage 3, Stage 4, local relapse or distant relapse disease, but efficacious treatment options are limited for these patients. For example, only about 35% of all patients with distant relapse SCCHN respond to EXTREME, and the resulting overall median survival is only 10.1 months. In addition, about half of the patients on first-line therapies need later line therapies. In addition, the average ORR for second-line PD-1 therapies has been less than 15%. As such, SCCHN patients, especially those with late stage or relapsed disease, need more efficacious treatments with fewer side effects, which represents a significant unmet medical need.

Competitive Landscape

Our enoblituzumab is the only conventional B7-H3 antibody in clinical development globally. The following table illustrates the competitive landscape of investigational B7-H3 antibody drugs in China and the rest of the world. (*Source: Frost & Sullivan Report*)

Investigational B7-H3 Antibody Drugs

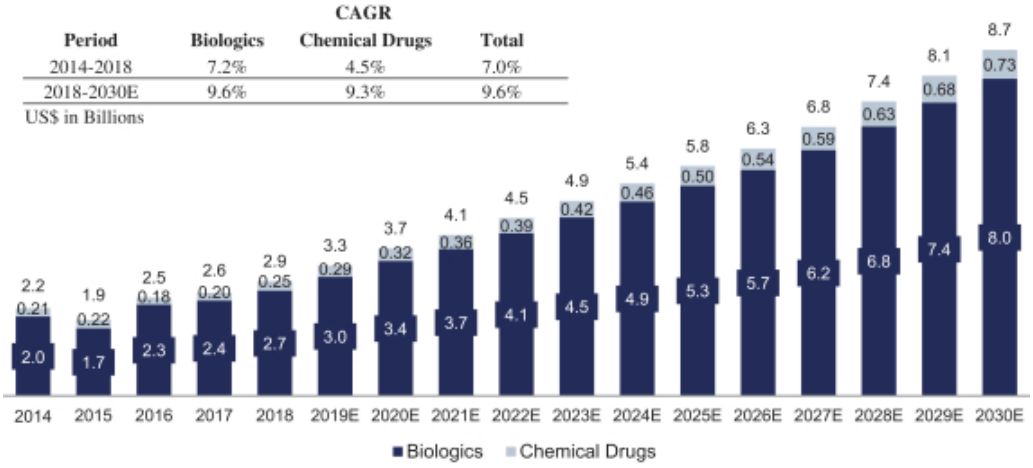
Investigational Drugs	Drug Form	Company	Indications	Global Status	China Status
^{131}I-Omburtamab	Radio-labeled antibody	Y-mAbs Therapeutics	CNS/leptomeningeal metastases of neuroblastoma	Pivotal Phase 2	N/A
Enoblituzumab(1)	**Monoclonal antibody**	**MacroGenics I-Mab(1)**	**Solid tumors**	**Phase 2**	**N/A**
MGC-018	Antibody-Drug Conjugate	MacroGenics	Solid tumors	Phase 1/2	N/A
^{124}I-Omburtamab	Radio-labeled antibody	Y-mAbs Therapeutics	Glioma	Phase 2	N/A

Note:
(1) We have the development and commercialization rights for enoblituzumab in Greater China pursuant to a partnership agreement with MacroGenics.

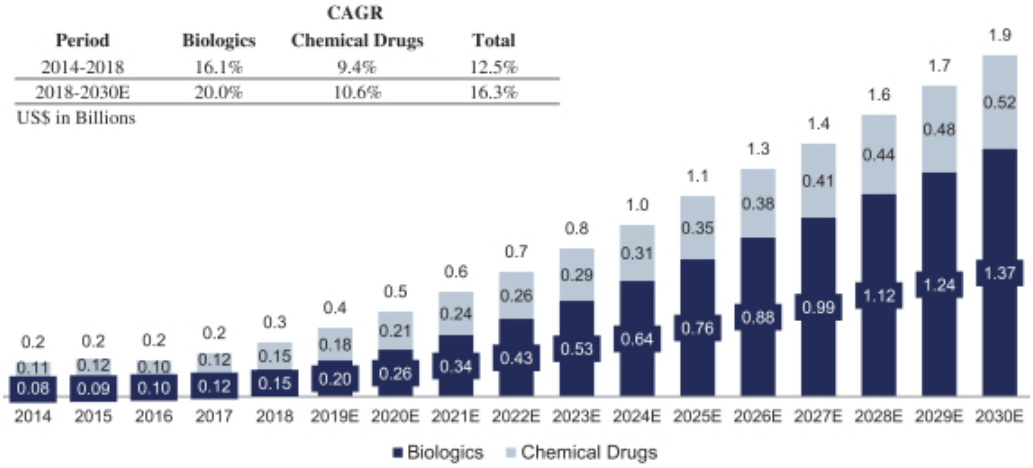
Historical and Forecast Market Size of Head and Neck Cancer Therapeutics Globally and in China

The following diagrams illustrate the size of the head and neck cancer drug market in terms of sales revenue in global and China markets. (*Source: Frost & Sullivan Report*)

Global Head and Neck Cancer Therapeutics Market Size (2014-2030E)



China Head and Neck Cancer Therapeutics Market Size (2014-2030E)



Cancer Treatment-Related Lymphopenia

Overview

Lymphopenia is a decrease in lymphocyte cell count that is lower than the age-appropriate reference level. Cancer patients who undergo chemotherapy and/or radiation therapy often develop severe lymphopenia (<500 cells/mm3), which further damages their already compromised immune systems and their ability to fight against cancers. According to the Frost & Sullivan Report, more than 85% of cancer patients receive chemotherapy or radiation therapy, and approximately 43% of them develop lymphopenia. Furthermore, there is a two-fold increase in the risk of early cancer death associated with severe lymphopenia. Currently no drug is available for cancer treatment-related lymphopenia.

In Greater China, according to the Frost & Sullivan Report, the incidence of lymphopenia reached 1.5 million in 2018 and is estimated to increase to 1.7 million in 2023 and further to 2.0 million in 2030.

Treatment of Cancer Treatment-Related Lymphopenia

There is currently no guideline and no specific or effective treatment for cancer treatment-related lymphopenia. Most patients with cancer treatment-related lymphopenia are clinically monitored without specific treatment both globally and in China. Proleukin is a recombinant human IL-2 that has shown some therapeutic effect in promoting overall T cell populations in cancers, which also include tumor-protecting T regulatory (Treg) cells.

Unmet Medical Need

There is currently no FDA-approved drug for cancer treatment-related lymphopenia. There remains a substantial need for an effective treatment for lymphopenia as prolonged lymphopenia often correlates with shortened survival time as reported in the medical literature (Grossman et al., J Natl Compr Canc Netw. 2015 October ; 13(10): 1225–1231). Proleukin has a limited effect on lymphopenia with serious side effects. There are global research and development efforts to find effective T cell cytokines capable of selectively promoting proliferation of tumor-fighting T cells but not tumor-protecting Treg cells. These efforts include IL-7, IL-12 and IL-15, all of which are in early stages of development.

Competitive Landscape

There are only two IL-7-based investigational drugs, TJ107 (efineptakin) and CYT-107. (*Source: Frost & Sullivan Report*)

Investigational Drugs of Recombinant Human IL-7

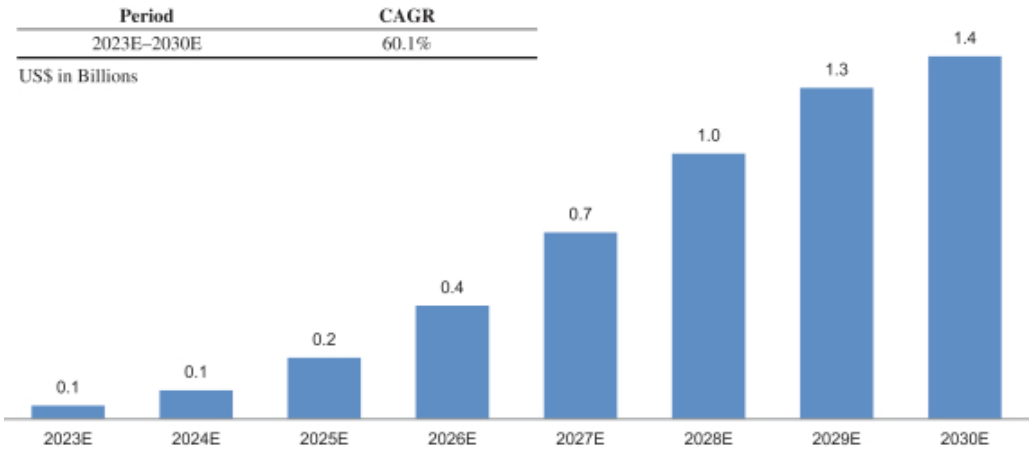
Investigational Drugs	Drug Form	Company	Indications	Global Status	China Status
Efineptakin(1)	**Long-acting rhIL-7**	**I-Mab**	**Lymphopenia and cancer**	**N/A**	**Phase 1b/2a**
Efineptakin(1)	Long-acting rhIL-7	Genexine Inc. (KOSDAQ: 095700)	Solid tumors	Phase 2	N/A
CYT-107	Glycosylated rhIL-7	Revimmune	Sepsis and septic shock	Phase 2	N/A

Note:
(1) We have the development and commercialization rights for efineptakin in Greater China pursuant to a partnership agreement with Genexine. We are conducting clinical trials in China as part of the coordinated global clinical development plan.

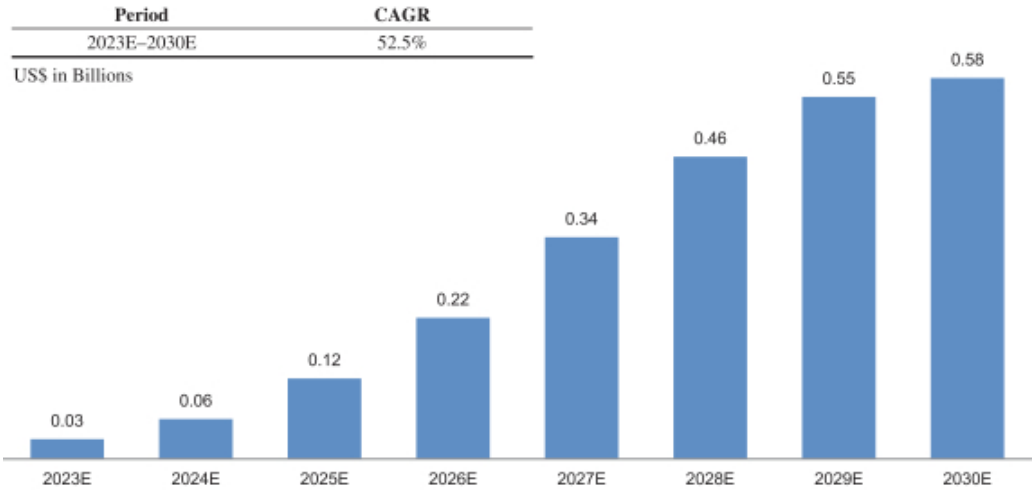
Forecast Market Size of Potential Cancer Treatment-Related Lymphopenia Globally and in China

According to the Frost & Sullivan Report, since most patients with cancer treatment-related lymphopenia are not actively treated, there is currently no such drug market globally or in China. However, there is a huge market potential as the following diagrams illustrate the forecast size of the market when an effective drug for treatment-related lymphopenia becomes available. (*Source: Frost & Sullivan Report*)

Global Cancer Treatment-Related Lymphopenia Market Size (2023E-2030E)



China Cancer Treatment-Related Lymphopenia Market Size (2023E-2030E)



Systemic Lupus Erythematosus

Overview

Systemic lupus erythematosus ("SLE") is a chronic, multi-system and incurable autoimmune disease that can potentially lead to serious organ damage, systemic complications and even death. Patients with SLE have aberrant production of auto-antibodies (antibodies against self-antigens) by CD38-positive plasma cells, and dysregulated CD38-positive pathogenic B cells. As part of the disease mechanism, immune complexes induced by auto-antibodies are formed and deposit in the kidneys and cause tissue damage. Common symptoms of SLE include painful and swollen joints, unexplained fever, chest pain, hair loss, mouth ulcers, swollen lymph nodes, extreme fatigue, and red rashes that most commonly appear on the face, and these symptoms vary widely among patients and fluctuate unpredictably over time as the disease progresses. More importantly, at the advanced stage of the disease, patients can develop renal damage and renal failure.

According to the Frost & Sullivan Report, SLE had an estimated prevalence of approximately 1.04 million in 2018 in Greater China, which is projected to increase to 1.08 million in 2023, representing a CAGR of 0.8%. Cases of SLE in China are projected to increase to 1.11 million in 2030.

Treatment of Systemic Lupus Erythematosus

Currently, there is a significant unmet medical need for more effective therapies for SLE. Since SLE is a chronic disease, current treatments aim to manage symptoms and reduce the frequency of disease flares. Patients with mild SLE are often managed by non-steroidal anti-inflammatory drugs, while more severe patients may need corticosteroids or immunosuppressants. Combination treatments can also be used as disease-modifying treatment regimens, aiming to control the disease and prevent chronic tissue damage. Approved by the FDA in 2011 and by the NMPA in July 2019, Benlysta (belimumab), a B-lymphocyte stimulator (BLyS)-specific inhibitor developed by GSK, is currently the world's only biologic approved to treat SLE.

Unmet Medical Need

The effect of symptomatic treatments for SLE, including non-steroidal anti-inflammatory drugs, is short-lived and often very limited. The therapeutic role of corticosteroids or immunosuppressants in the long-term management of SLE is hampered by severe drug-related side effects and lack of a disease-modifying effect. As

auto-antibodies and resulting immune complexes produced by CD38-positive B cells and plasma cells act at the core of the pathogenesis of SLE, direct inhibition and selective depletion of pathogenic B cells and plasma cells are believed to offer better treatment options. TJ202 has the potential to offer such a disease-modifying treatment option. In addition, the advantages of TJ202 include convenience of use and a lower IRR, making it a more favorable treatment agent in the long-term clinical management of SLE if approved.

Competitive Landscape

The following tables illustrate the competitive landscape of the biologics treating SLE in China and the rest of the world. (*Source: Frost & Sullivan Report*)

Marketed Biological Products for SLE

Product	Target	Company	FDA Approval Time	NMPA Approval Time	Patent Expiry in the U.S.	Global Sales Revenue in 2018 (in Bn, US$)
Belimumab	BLyS	GSK	2011	2019	2025	0.63

Investigational Drugs for SLE in China

Investigational Drugs (1)	Target	Drug Form	Company	Global Status	China Status
RCT-18	BLyS	Antibody fusion protein	Rong Chang	N/A	Phase 3
Ustekinumab	IL-12/23	Monoclonal antibody	Johnson & Johnson	Phase 3	Phase 3
TJ202	**CD38**	**Monoclonal antibody**	**I-Mab**	**N/A**	**IND 2019**

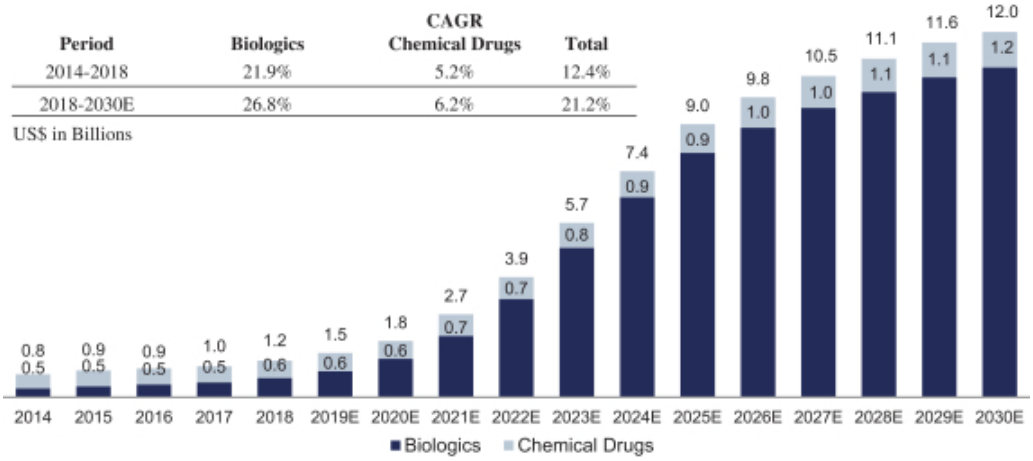
Note:
(1) Competing investigational biologics that are prior to Phase 3 clinical trials are not included in this table.

Historical and Forecast Market Size of SLE Therapeutics Globally and in China

The following diagrams illustrate the size of the SLE drug market in terms of sales revenue in the global and China markets. (*Source: Frost & Sullivan Report*)

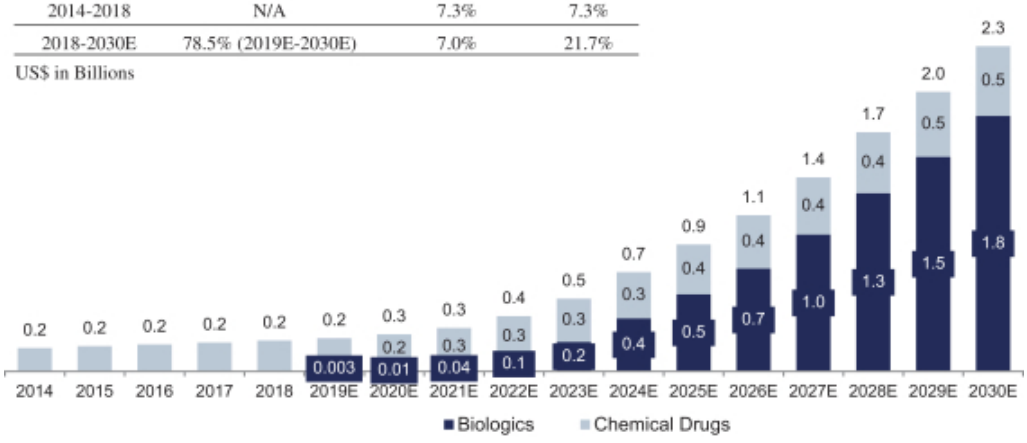
Global SLE Therapeutics Market Size (2014-2030E)

Period	CAGR Biologics	CAGR Chemical Drugs	CAGR Total
2014-2018	21.9%	5.2%	12.4%
2018-2030E	26.8%	6.2%	21.2%



China SLE Therapeutics Market Size (2014-2030E)

Period	CAGR Biologics	CAGR Chemical Drugs	CAGR Total
2014-2018	N/A	7.3%	7.3%
2018-2030E	78.5% (2019E-2030E)	7.0%	21.7%



Ulcerative Colitis

Overview

Ulcerative colitis ("UC") is an inflammatory bowel disease ("IBD") that causes chronic and often relapsing inflammation and ulceration of the colon and rectum, in which the lining of the colon and rectum become inflamed and develop tiny open sores, or ulcers, which produce pus and mucous. This combination of inflammation and ulceration can cause abdominal discomfort and frequent emptying of the colon. UC patients

experience recurrent flares of abdominal pain and bloody diarrhea. Other UC symptoms include fatigue, weight loss, and fever. Disease complications may include megacolon, inflammation of the eye, joints, or liver, and colon cancer. According to the Frost & Sullivan Report, in Greater China, UC affected approximately 370,100 patients in 2018, which is predicted to increase to approximately 543,700 cases in 2023, representing a CAGR of 8.0%. Greater China has a relatively lower UC incidence and prevalence compared to those in Western countries, but the absolute number of patients is predicted to increase to approximately 918,300 in 2030 with a CAGR of 7.8% from 2023 to 2030, as a result of the increasingly westernized lifestyle in Greater China.

Treatment of UC

Currently, there is no curative treatment for UC. Most of the approved biologics for UC are TNF-α inhibitors. Vedolizumab (Entyvio), an integrin α4ß7 antibody that blocks lymphocytes from accumulating in the intestinal wall, is currently the only non-anti-TNF-α biologic approved for UC. Vedolizumab is also in a Phase 3 trial in China. In May 2018, tofacitinib (Xeljanz), which is a small molecule Jak1/3 kinase inhibitor, became the first oral medication approved for chronic use in moderate to severe UC in the United States. In China, non-steroidal anti-inflammatory drugs, such as 5-aminosalicylic acids ("5-ASAs"), and corticosteroids or other immunosuppressants, including azathioprine, mercaptopurine and cyclosporine, are often used as an initial treatment and throughout the course of clinical management with limited treatment efficacy. Approved by the NMPA in 2019, infliximab (Remicade), which is a TNF-α inhibitor, is currently the only biologic approved to treat UC in China.

Unmet Medical Need

The incidence of UC is increasing rapidly, but UC patients, especially those with a moderate-to-severe disease, have few treatment options, which have limited treatment efficacy and considerable side-effects. For example, Jak1/3 kinase inhibitors can carry the risk of serious infections and malignancies. TNF-α inhibitors also have inherent side effects and do not work in all patients. According to the Frost & Sullivan Report, approximately 45% patients are considered treatment non-responders to TNF-α drugs among all autoimmune diseases. Thus, there is a substantial unmet medical need in UC for a treatment agent(s) that is efficacious and safe through pathways beyond the traditional drug targets. TJ301 is believed to potentially fulfill such a product profile as it works through the IL-6 trans-signaling pathway.

Competitive Landscape

Our TJ301 is the only clinical stage selective interleukin-6 ("IL-6") inhibitor that works through the trans-signaling mechanism. It is a potential highly differentiated IL-6 blocker for UC, if approved. The following table illustrates the competitive landscape of investigational biologics for treating UC that are in late-stage development in China and the rest of the world. (*Source: Frost & Sullivan Report*)

Product(1)	**Target**	**Company**	**Global Status**	**China Status**
Vedolizumab	α4ß7 integrin	Takeda	Approved	Phase 3
Ustekinumab	IL-12/IL-23	Johnson & Johnson	NDA filed	N/A
Risankizumab	IL-23	AbbVie	Phase 3	Phase 3
Mirikizumab	IL-23	Eli Lilly	Phase 3	N/A
Etrolizumab	ß7 integrin	Roche	Phase 3	N/A
Ontamalimab	MAdCAM	Takeda/Shire	Phase 3	N/A
Spesolimab	IL-36	Boehringer Ingelheim	Phase 2/3	N/A
Olamkicept TJ301(2)	**IL-6**	**I-Mab**	**Phase 2**	**Phase 2**

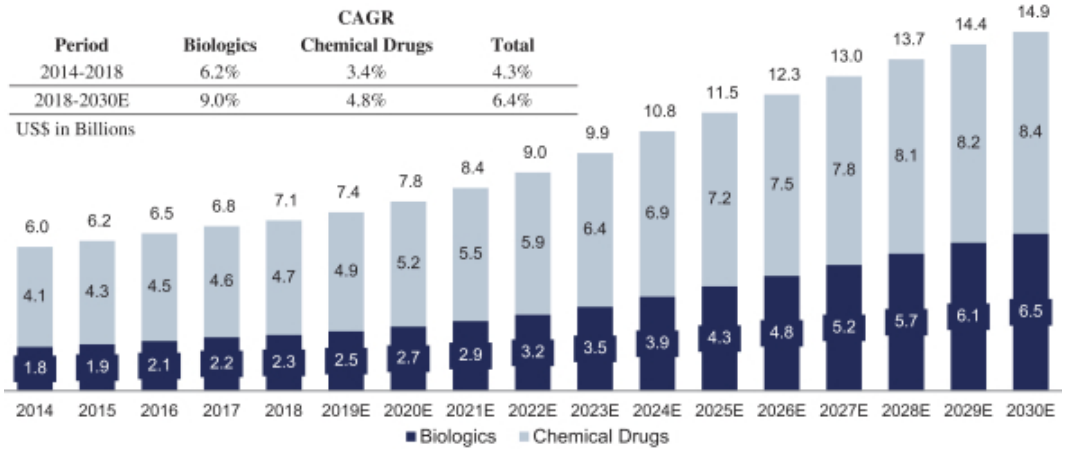
Notes:
(1) Competing investigational biologics that are prior to Phase 3 clinical trials are not included in this table.

(2) We have the development and commercialization rights for olamkicept in Greater China pursuant to a partnership agreement with Ferring Pharmaceuticals. A regional multi-center Phase 2 trial in China, Taiwan and South Korea sponsored by I-Mab is ongoing.

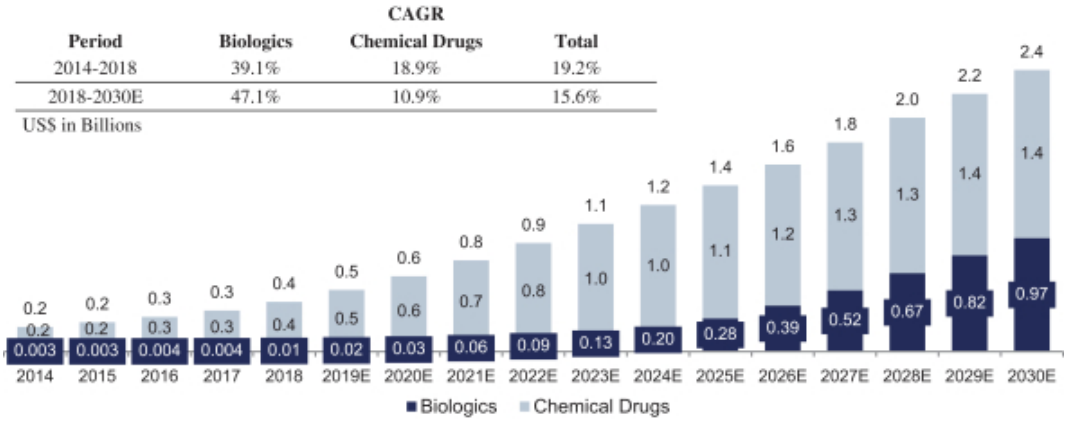
Historical and Forecast Market Size of UC Therapeutics Globally and in China

The following diagrams illustrate the size of the UC drug market in terms of sales revenue in the global and China markets. (*Source: Frost & Sullivan Report*)

Global Ulcerative Colitis Therapeutics Market Size (2014-2030E)



China Ulcerative Colitis Therapeutics Market Size (2014-2030E)



Growth Hormone Deficiency

Overview

Growth hormone deficiency (“GHD”) is an endocrine disorder that occurs when the production of growth hormone, normally secreted by the pituitary gland, is disrupted. Since growth hormone plays a critical role in stimulating body growth and development and is involved in the production of muscle protein and the breakdown of fats, deficiency in growth hormone affects numerous physiological processes, resulting in short stature in children and other physical ailments in both children (“PGHD”) and adults (“AGHD”). According to the Frost & Sullivan Report, PGHD affected approximately 3.4 million patients in 2018 in Greater China.

Treatment of PGHD

The widely adopted treatment for PGHD is patient-specific growth hormone replacement therapy, which is given in a calculated weight-based dosing regimen. Currently, short-acting recombinant human growth hormone ("rhGH") is commonly used for the long-term treatment of children and adults with inadequate endogenous growth hormone secretion. There are certain safety concerns related to long-term use of pegylated drugs, such as potential renal toxicity, cellular vacuolation and formation of anti-polyethylene glycol antibodies.

Approved by the NMPA in 2014, Jintrolong (developed by GeneScience) is currently the only long-acting pegylated rhGH in China. Other companies in China currently developing long-acting rhGH include Anhui Anke Biotechnology and Generon Pharmaceutical Technology.

Unmet Medical Need

According to the Frost & Sullivan Report, only 3.7% of all PGHD patients in China were receiving growth hormone replacement therapy in 2018, which consists of daily injections of rhGH before sleep. This dosing regimen puts a substantial burden on pediatric patients and their families because it requires drug preparation and needle injection every day, which is painful and extremely inconvenient, often resulting in poor patient compliance. More importantly, studies have shown that skipping just one or two doses in a week can significantly reduce the efficacy of the treatment. Therefore, there is a substantial medical need for long-acting growth hormone therapies that are similarly efficacious but with reduced injection frequency, and the market potential for such a long-acting rhGH in China is largely untapped. In addition, recombinant human growth hormone therapy has been included in the National Reimbursement Drug List (NRDL) in China. Inclusion of a drug in the NRDL typically results in a much higher sales volume and significant sales growth despite a reduction in price.

Competitive Landscape

Our TJ101 is the only Fc-based long-acting rhGH ready for a Phase 3 clinical trial in China. The following tables illustrate the competitive landscape of long-acting growth hormone products and product candidates in China and the rest of the world. (*Source: Frost & Sullivan Report*)

Marketed Products of Long-acting GH

Product	Drug Form	Company	FDA Approval	NMPA Approval	Patent Expiry in China	Global Sales Revenue in 2018 (in Bn, RMB)
Jintrolong	PEGylated GH	GeneScience	N/A	2014	2028	0.47

Investigational Drugs of Long-acting rhGH

Investigational Drug(1)	Drug Form	Company	Global Status	China Status
NNC0195-0092	PEGylated hGH	Novo Nordisk	Phase 3	N/A
ACP—001	TransCon hGH	Ascendis	Phase 3	N/A
eftansomatropin TJ101(2)	**Hy-Fc (Fc fusion protein)**	**I-Mab**	**N/A**	**Phase 3 ready**
eftansomatropin GX-H9(2)		Genexine	Phase 3 ready	N/A
PEG-rhGH	PEGylated GH	Anhui Anke	N/A	Phase 2/3

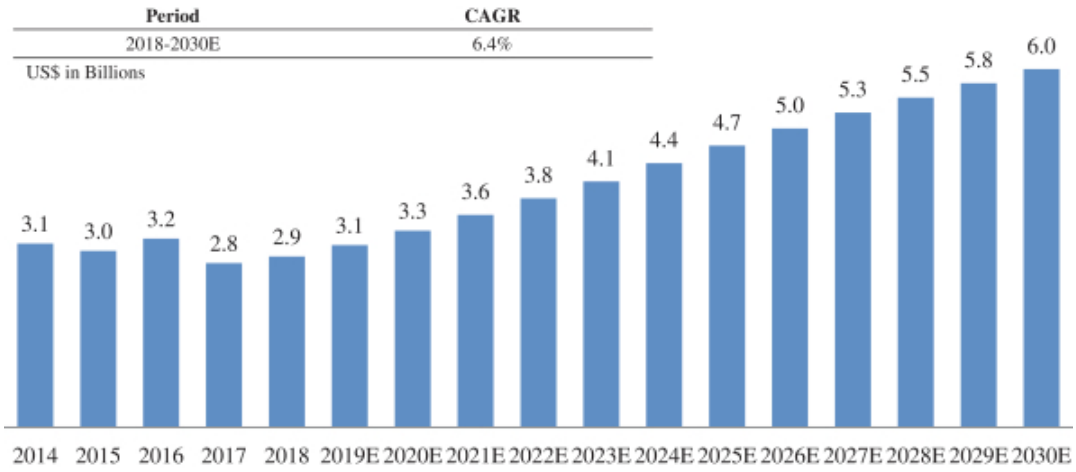
Notes:
(1) Competing investigational biologics that are prior to Phase 2 clinical trials are not included in this table.

(2) TJ101 and GX-H9 are the same investigational drug. We have the development and commercialization rights for TJ101 in Greater China pursuant to a partnership agreement with Genexine. We plan to submit an IND for a Phase 3 clinical trial (pending the NPMA's approval) in China in mid-2020.

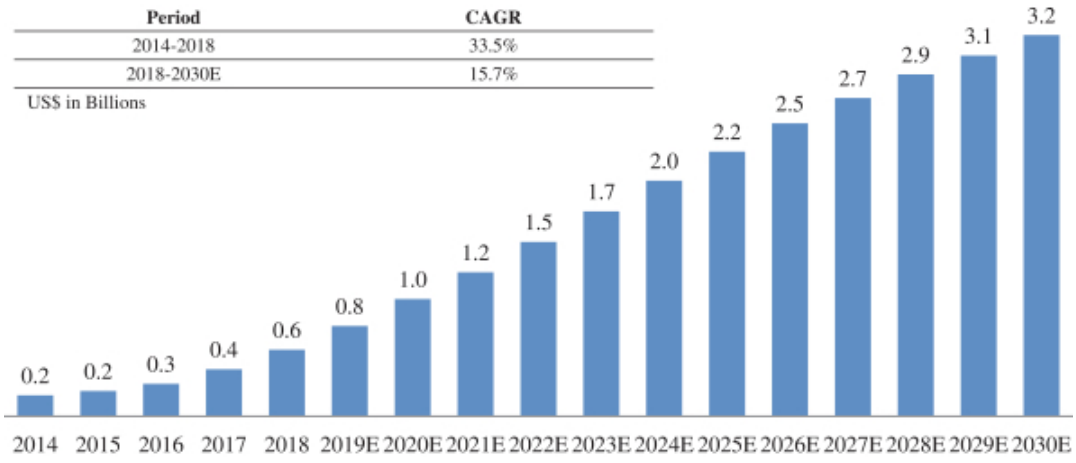
Historical and Forecast Market Size of PGHD Therapeutics Globally and in China

The following diagram illustrates the size of the PGHD drug market in terms of sales revenue in the global and China markets. (*Source: Frost & Sullivan Report*)

Global PGHD Therapeutics Market Size (2014-2030E)



China PGHD Therapeutics Market Size (2014-2030E)



BUSINESS

Overview

We are a clinical stage biopharmaceutical company committed to the discovery, development and commercialization of first-in-class or best-in-class biologics to treat diseases with significant unmet medical needs, particularly cancers and autoimmune disorders. First-in-class biologics are innovative medicines for which we commit to using a new and unique mechanism of action to treat a medical condition in oncology or autoimmune diseases. Best-in-class biologics are innovative medicines for which we commit to developing, by our design, to become highly differentiated from currently marketed drugs or drug candidates currently in either clinical or pre-clinical development by a third party that target the same biological target, based on their respective pharmacokinetic, pharmacodynamic and biophysical properties, as applicable. Our mission is to bring transformational medicines to patients through innovation.

We were founded to capture the opportunities presented by the confluence of two major developments—the emergence of an attractive and growing biologics market in China, and the revolutionary scientific breakthroughs in cancer and autoimmune disease medicines. We believe we are well-positioned to become a biotech leader in China because of our innovative discovery expertise, fit-for-purpose technology platforms, biomarker-enabled translational medicine capabilities, and clinical development capabilities. These integrated capabilities are further enhanced by our deep understanding of China's biologics regulatory framework and our direct access to extensive pre-clinical and clinical trial resources in China. To date, we have developed an innovative pipeline of more than 10 clinical and pre-clinical stage assets through our internal research and development efforts and in-licensing arrangements with global pharmaceutical and biotech companies.

Commercial Opportunities in China and Our Unique Position

We are fully aware of the competitive and regulatory challenges we face as an innovative clinical stage biotech company based in China, including need to raise significant capital, significant competition from global and other China-based biopharmaceutical companies, less streamlined regulatory pathway compared to countries with long-established regulatory systems, and potential implementation challenges and uncertainties of the recent government reform of the drug approval system. However, with these challenges in mind, we have been mitigating the risks through our internal R&D system that integrates multi-functional aspects of our drug development process to proactively deal with some of the regulatory challenges mentioned above. Furthermore, through our Beijing office which focuses on regulatory matters, we have established an effective communication channel with the regulatory agencies to discuss and resolve various regulatory issues promptly and effectively. Despite these challenges, we see vast opportunities for immuno-oncology and autoimmune biologics therapies in China. First, both the incidence and mortality of cancers in China have been increasing in recent years and are outpacing those in the United States and the rest of the world. Second, many innovative biologics approved to treat cancer and autoimmune diseases in the United States and Europe are not yet available in China. Third, the Chinese government has implemented new policies and regulations to simplify the review and approval cycle of clinical trials and new drug applications to encourage biologics innovation. Fourth, there has been a continuous and rapid increase in personal disposable income in China coupled with ongoing improvement in basic national health insurance coverage, making innovative biologics more accessible to more Chinese patients. According to the Frost & Sullivan Report, China's biologics market is growing faster than the global biologics market and is expected to reach approximately RMB1.3 trillion (US$189.4 billion) by 2030 in terms of sales revenue.

We believe we are uniquely positioned as a China-based global player to tap into these vast commercial opportunities. This is best demonstrated by our short journey in becoming one of the top clinical stage immunology companies in China. According to the Frost & Sullivan Report, we are ranked as top clinical stage China-based immunology companies as measured by the innovative quality and number of investigational drugs and drug candidates under clinical and pre-clinical development in our pipeline, amount of pre-IPO financing raised (in excess of US$400 million in three years), pre-IPO valuation and recognition and awards earned in the

biotech industry. For example, in March 2019, Genetic Engineering & Biotechnology News (GEN) recognized us as a top 10 immuno-oncology start-up in the world. We were the only China-based company recognized therein. We had raised in excess of US$400 million in pre-IPO financing in the past three years. To date, our research and development capabilities encompass discovery, biologics CMC development, pre-clinical development and clinical development with footprints in Shanghai, Beijing and the United States. We are now at a critical juncture to transition from a clinical stage biotech company into a fully integrated end-to-end global biopharmaceutical company in the next few years.

Our Unique Business Model

To achieve our mission and capitalize on these commercial opportunities, we have developed a business model built on two pillars: a fast-to-market China strategy and a fast-to-PoC (proof of concept) global strategy.

Fast-to-Market China Strategy

Our fast-to-market China strategy focuses on seeking opportunities to in-license the development and commercialization rights of investigational drugs from global biopharmaceutical companies for Greater China. We only select investigational drugs that have the potential to become first-in-class or highly differentiated medicines. Through our substantial in-house research and development efforts, we build additional data packages to meet the requirements of the National Medical Products Administration (the "NMPA") to ensure programs are ready for late-stage or registrational clinical development. Our internal development capabilities combined with our deep insight into China's regulatory framework and our clinical network enable us to efficiently navigate through the drug development process to registration. To date, we have built an innovative China Portfolio consisting of five investigational drugs with an aim for near-term product launch. All of these investigational drugs have met the related pre-set safety and preliminary efficacy endpoints in Phase 1 or Phase 2 clinical trials in Europe, the United States or elsewhere and are either in or ready for Phase 2 or Phase 3 clinical trials in China. TJ202 is undergoing two registrational trials, a monotherapy trial and a combination therapy trial in relapsed or refractory multiple myeloma in Greater China, and we will soon initiate a Phase 1b trial in systemic lupus erythematosus ("SLE") in the first half of 2020. For TJ101, we expect to submit an IND for a Phase 3 registrational trial in China by early 2020. For enoblituzumab, we expect to initiate either a registrational trial (pending the NMPA's regulatory approval) or a Phase 2 trial by the end of 2020. As a result, the investigational drugs in our China Portfolio are positioned for a series of new drug applications (NDAs) in China with the submission of the first NDA expected in 2021.

Fast-to-PoC Global Strategy

Our fast-to-PoC global strategy focuses on advancing our own novel or differentiated biologics towards clinical validation in the United States. First, we seek PoC of these drug candidates in the United States by conducting early phase clinical trials with a set of safety and efficacy endpoints and leveraging the FDA's streamlined regulatory system for innovative drug discovery, including a predictable timeline towards approval. Second, we will use the data generated to advance clinical development in China, which we believe confers several advantages, including access to China's large patient pool, extensive clinical trial resources through collaborations with leading hospitals in China, and a regulatory pathway for fast-track approval of drugs supported by solid overseas clinical data. Building on this approach, we typically out-license the global rights (excluding Greater China) of these investigational drugs following clinical validation in the United States, while retaining the Greater China rights for further development and commercialization. We believe this approach will allow Chinese patients to benefit from our most advanced treatments concurrently or soon after their market approvals elsewhere. To date, we have created a Global Portfolio that consists of two molecular classes—monoclonal antibodies and bi-specific antibodies, which are internally generated. They are highly innovative molecules compared to global competitor assets in the same or related classes of drug candidates. Three investigational drugs in our Global Portfolio (TJM2, TJC4 and TJD5) are in Phase 1 trials in the United States.

These two strategies and the resulting two portfolios complement each other and enable us to achieve a balance among our ambition to develop first-in-class and best-in-class drugs, our goal to efficiently advance our pipeline assets towards commercialization and the inherent development risks. With this goal in mind, we are also aware that the intended novelty for first-in-class potential and key differentiation for best-in-class potential of our investigational drugs or drug candidates are subject to pivotal clinical validation and approval by the relevant regulatory authorities. There is no assurance that any such investigational drug or drug candidate will receive regulatory approval. See “Risk Factors” for a detailed description of the risks related to the development and commercialization of our drug candidates.

Our Capabilities

Our Innovative Discovery Expertise

Built by an elite group of seasoned immunologists with extensive academic research and drug development experience, our discovery engine has generated a panel of internally developed innovative drug molecules in a short span of four years. Among them, 11 innovative drug molecules have met our standard of first-in-class or best-in-class and have advanced toward further development. This achievement is a testament to our discovery team’s acumen and technical prowess in translating target biology into points of innovation or differentiation.

The discovery of TJC4 showcases our innovative research capabilities. Not settling on performing routine or traditional antibody screening, we set a specific goal to identify and select a unique CD47 antibody that is free from binding to red blood cells (RBC) among all CD47 antibody leads that naturally bind to RBCs. As a result, we selected by design, our proprietary CD47 antibody (TJC4), a rare epitope that uniquely spares binding to RBCs as a differentiation point from other CD47 antibodies that typically cause inherent hematologic side effects. Having confirmed the RBC-sparing property in a series of in vitro assays as well as multiple monkey studies, we are conducting a Phase 1 clinical trial for TJC4 in the United States.

Another example of our R&D capability relates to our novel bi-specific antibody panel that represents a new wave of oncology drug candidates. We created novel biological properties of these bi-specific antibodies that are capable of enriching immune cells in tumors through dual targeting of PD-L1 and immune cells for a synergistic anti-tumor effect. These bi-specific drug candidates have been shown to exhibit unique properties that render tumors more responsive to treatment. Our discovery expertise, when combined with our “fit-for-purpose” antibody engineering technology platforms, becomes a powerful engine of innovation to create novel molecules.

Our Fit-for-Purpose Technology Platforms

Our proprietary antibody engineering platforms enable us to accurately capture the biological properties of bi-specific antibodies and retain good manufacturability and druggability of the molecules. To date, we have created seven novel pre-clinical stage bi-specific drug molecules. In addition to our own Ig-scFv bi-specific antibody platform, we partnered with ABL Bio and WuXi Biologics to access their antibody engineering platforms in order to increase the probability of success, as different molecular configurations require different technologies. Furthermore, our proprietary antibody-cytokine technology has enabled another form of bi-specific antibodies such as TJ-L1I7 and TJ-C4GM that link a tumor-engaging antibody with an immuno-modulatory cytokine. Superior to monoclonal antibodies or cytokines alone, this class of bi-specific antibodies has demonstrated unique properties capable of concentrating the drug molecules in tumors for a desired target effect with reduced systemic toxicity of cytokines or creating biologic synergy that can potentially translate into better treatment outcome.

Our Biomarker-Enabled Translational Medicine Capabilities

As we focus on developing innovative drug molecules, the ability to apply relevant biomarkers that link a drug response to treatment effects is critical for early-stage clinical trials of our investigational drugs. This

translational medicine capability requires cross-functional knowledge and unique skills to link the target biology of an investigational drug to clinical responses. We have been developing tailor-made biomarkers for each of our investigational drugs, which are used to select potential responders, predict and measure target engagement, support dose determination and enable timely informed decisions on advancing our assets to the next phase of clinical development. For example, for the development of TJD5, we intend to use CD73 in tumor tissue in combination with other tumor biomarkers to stratify potential target patient populations in our clinical trial. To that end, we have developed assays to measure CD73 expression and activity in tumor tissues. Furthermore, we have developed specialized assays to measure TJD5 drug concentrations in tumor tissues. By linking drug concentration with its activity in the same tumor location, these data help us determine appropriate dose selection for further clinical studies.

Our Clinical Development Capabilities

Our clinical development capabilities are highlighted by a global team of clinical scientists, industry physicians, data management specialists, biostatisticians, clinical operation staff and drug safety experts. Our clinical team accounts for approximately 80% of our entire R&D organization's headcount and 80% of our budget allocation. The skillset of our clinical development team is highlighted by a combination of extensive global pharma experience, local drug development and operational experience with clinical networks in China and the United States. The team is driven by high ethical standards, clinical science and passion for improving the lives of patients.

Our clinical development capabilities are also highlighted by our ability to integrate internal core development functions, which encompass regulatory affairs, translational medicine, clinical research and operations, data management, biostatistics, clinical safety and pharmacovigilance, portfolio and project management, and global drug supplies. We also effectively leverage external resources, including clinical contract research organizations, academic clinical centers and/or networks, and global pharmaceutical or biotech partnerships. Furthermore, we have established and implemented a robust internal clinical governance system to safeguard patient safety and data reporting. Our current clinical development capabilities are strategically based in Shanghai, Beijing, and the United States to cover Phase 1 through Phase 3 clinical trials in China and early-stage clinical trials in the United States.

Our clinical development capabilities are best demonstrated by our rapid implementation of seven ongoing clinical trials, including four Phase 1/2 and registrational trials in Greater China and three Phase 1 trials in the United States within the past three years. To ensure regulatory approval and subsequent product launch as currently planned, we strive to reach the following critical clinical milestones by the end of 2020—14 active clinical programs consisting of three Phase 3 or registrational trials in China, three Phase 2 trials in China and eight Phase 1 trials in the United States and China.

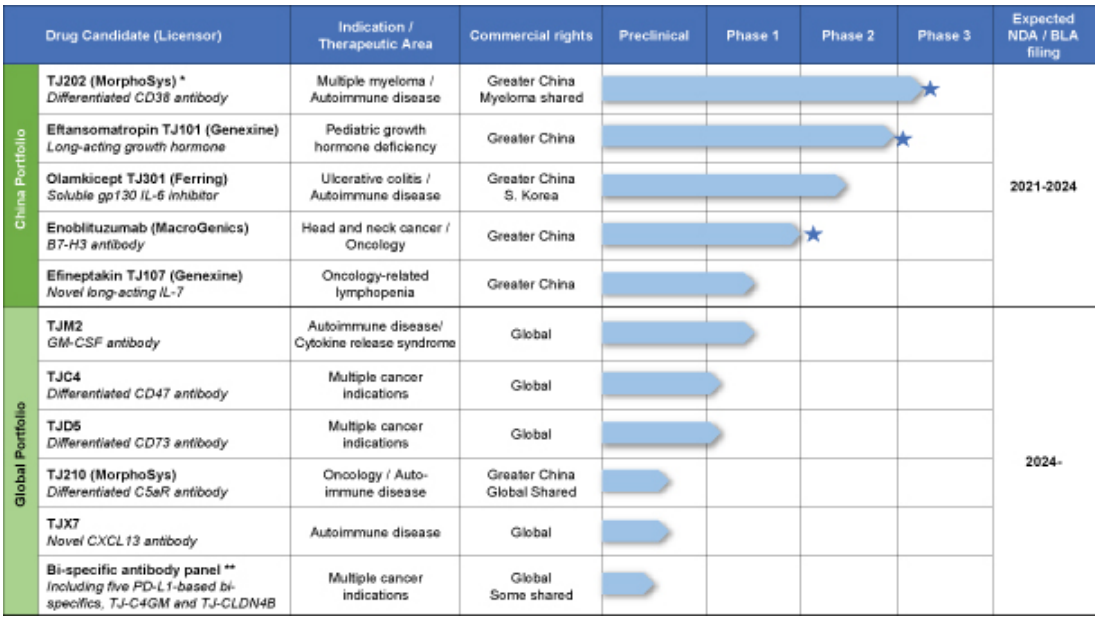
Our Global Strategic Collaborations

We have established an excellent track record of in-licensing and out-licensing deals with our global and regional partners. These in-licensing deals enable us to acquire multiple innovative clinical stage assets with favorable clinical data packages. We have quickly built our China Portfolio through in-licensing deals with global biotech partners, including MorphoSys, Genexine, MacroGenics and Ferring. Over the past three years, we have established more than 10 global and regional partnerships with reputable pharma or biotech companies. Our partners selected us among many China-based companies with the belief that we are an ideal partner in China given our strength in science and drug development capability, our outstanding track record of execution of rapidly progressing drug development programs in China and the United States and our vision and network to tap into business opportunities and the growing pharmaceutical market in China. For example, MorphoSys, MacroGenics and Genexine all stated that we are an ideal or the best partner in China in their press releases or public announcements. The out-licensing deals enable us to streamline our pipeline and focus our resources on the most valuable assets. In addition, we seek co-development opportunities to share development costs and risks

and territorial commercial rights with our partners. In the past two years, we have out-licensed three de-prioritized assets and initiated four co-development programs with partners such as ABL Bio, Everest Medicines and WuXi Biologics. The revenue from out-licensing and co-development deals is expected to continue to grow as our pipeline progresses.

Our Drug Pipeline

The chart below summarizes the development status of our drug pipeline.



Notes:

é (i) TJ202 has two ongoing registrational trials, a monotherapy trial and a combination therapy trial in relapsed or refractory multiple myeloma in Greater China, and we will soon initiate a Phase 1b trial in systemic lupus erythematosus ("SLE"); (ii) for TJ101, we expect to submit an IND for a Phase 3 registrational trial in China by early 2020; and (iii) for enoblituzumab, we expect to initiate either a registrational trial (pending the NMPA's regulatory approval) or a Phase 2 trial by the end of 2020.

* We are collaborating with Everest Medicines Limited ("Everest") to co-develop and commercialize TJ202 in Greater China for all indications in hematologic oncology. Everest is primarily responsible for sharing with us, by the proportion of 75% for Everest and 25% for us, the development costs of TJ202. We and Everest will share TJ202's profit and loss in proportion to the costs that each of us incur in developing the product. We and Everest will also split out-license revenue according to the proportion of development costs incurred, with us getting an additional 5% share and Everest receiving 5% less.

** Our bi-specific antibody panel consists of (i) five PD-L1-based bi-specific antibodies, including TJ-L1C4 (PD-L1 and CD47), TJ-L1D5 (PD-L1 and CD73), TJ-L1H3 (PD-L1 and B7-H3), TJ-L14B (PD-L1 and 4-1BB) and TJ-L1I7 (anti-PD-L1 and IL-7 cytokine fusion), (ii) TJ-C4GM (anti-CD47 and GM-CSF cytokine fusion), and (iii) TJ-CLDN4B (Claudin 18.2 and 4-1BB).

Highlights of Our Fast-to-Market China Portfolio

Our fast-to-market China strategy is demonstrated by our China Portfolio, which consists of first-in-class or highly differentiated investigational drugs. TJ202, TJ107, enoblituzumab and TJ101 are the four anchor assets in our China Portfolio. While we have been diligently pursuing our fast-to-market China strategy, we are aware that there is no assurance that we will always be successful in commercializing any of our product candidates in our China Portfolio in an accelerated manner. See "Risk Factors" for a detailed description of the risks related to the development and commercialization of our drug candidates.

TJ202 is a differentiated CD38 antibody originally developed by MorphoSys that meets the pre-set clinical safety and preliminary efficacy endpoints from a clinical trial conducted in the European Union (EU). In-licensed from MorphoSys, TJ202 is being developed to address the current unmet needs and commercial opportunities in China for multiple myeloma and potentially autoimmune diseases, such as SLE. We own an exclusive license to develop TJ202 in Greater China. We believe TJ202, if approved, is potentially highly differentiated compared with the currently marketed CD38 antibody. First, under a similar pre-medication condition with dexamethasone, anti-pyretics and anti-histamines, TJ202 has demonstrated a significantly shorter infusion time and lower infusion reaction rate. Second, unlike the currently marketed CD38 antibody, TJ202 does not down-regulate CD38 expression on the surface of bone marrow myeloma cells in vitro, maintaining sensitivity of myeloma cells to TJ202 for repeated treatments. We have entered into a collaboration arrangement with Everest, under which we and Everest will share development costs and commercial rights of TJ202 in multiple myeloma in Greater China, while we retain full rights for all other indications. TJ202 is undergoing a Phase 2 registrational trial as a third-line monotherapy and a Phase 3 trial in combination with lenalidomide as a second-line therapy, both in patients with relapsed/refractory multiple myeloma in Greater China. We aim to submit an NDA for TJ202 as a monotherapy in 2021, followed by another NDA submission for TJ202 as a combination therapy. Moreover, we believe TJ202 has great market potential in the treatment of pathogenic antibody-mediated autoimmune diseases, such as SLE, where there is a significant unmet need for more effective therapies. An IND application for a trial in SLE is expected to be submitted in the fourth quarter of 2019.

TJ107 is a long-acting IL-7 known to boost cancer-fighting T lymphocytes by increasing their number and function and is being developed as a potential first-in-class oncology investigational drug. The clinical safety and effect of TJ107 on T cells have been investigated in multiple previous and ongoing clinical trials in South Korea and the United States. TJ107 is being positioned to address a huge unmet medical need in oncology. First, TJ107 can be an oncology-care agent to treat cancer treatment-related lymphopenia (low blood lymphocyte levels), a common condition that occurs in cancer patients who have received chemotherapy or radiation therapy, and there is no approved treatment for this condition. According to the Frost & Sullivan Report, in Greater China, the incidence of lymphopenia reached 1.5 million in 2018 and is estimated to increase to 1.7 million in 2023 and further to 2.0 million in 2030. This condition causes further damage to patients' already compromised immune system and weakens its ability to fight cancers. Second, TJ107 has been shown to synergize with a PD-1 antibody in a tumor animal model potentially through increased T lymphocyte activation and proliferation. We are conducting a Phase 1b trial in China to determine a suitable dose range for for subsequent trials. We expect to start a Phase 2 trial in glioblastoma multiforme patients with lymphopenia in the second half of 2020. We are coordinating our study globally with Genexine, which is conducting a Phase 2 clinical trial in South Korea and parallel clinical trials in the United States towards clinical PoC.

Enoblituzumab is a humanized antibody directed at B7-H3, a member of the B7 family of T cell checkpoint regulators that is widely expressed across multiple tumor types and plays a key role in the regulation of immune response against cancers. Similar to other inhibitors of the B7 family such as PD-L1, targeting B7-H3 potentially provides a treatment option for a variety of cancers expressing B7-H3. Enoblituzumab was originally developed by MacroGenics, and we own the Greater China rights of this product. In multiple clinical trials conducted by MacroGenics, when combined with pembrolizumab in recurrent or metastatic squamous cell carcinoma of the head and neck ("SCCHN") and non-small cell lung cancer ("NSCLC"), enoblituzumab has shown favorable clinical results that warrant further investigation. We plan to conduct a registrational trial (if approved by the NMPA) in China in patients with recurrent or metastatic SCCHN by the end of 2020. Further clinical development is being planned together with MacroGenics to extend to other cancer indications in China and globally.

TJ101, if approved, is a potential highly differentiated long-acting human growth hormone that is being developed as a weekly treatment for pediatric growth hormone deficiency as compared to currently available daily regimens of recombinant human growth hormone (rhGH). TJ101 was originally developed by Genexine, and we own the Greater China rights of this product, which has the potential to address an important clinical need and to cover a significant market gap in pediatric growth hormone deficiency. According to the Frost & Sullivan

Report, there are approximately 3.4 million pediatric patients with growth hormone deficiency in 2018 in Greater China, but only 3.7% of them receive growth hormone therapies, which are mostly daily regimens. In a previous Phase 2 trial conducted by Genexine in South Korea and the EU, both weekly and bi-weekly administration of TJ101 demonstrated similar therapeutic effects to daily injection of Genotropin, a short-acting rhGH. We expect to submit an IND for a Phase 3 registrational trial in China by early 2020.

Highlights of Our Fast-to-PoC Global Portfolio

Our fast-to-PoC global strategy is demonstrated by our Global Portfolio, which mainly consists of our internally developed novel or differentiated biologics. Our Global Portfolio focuses on two molecular classes—monoclonal antibodies and bi-specific antibodies. While we have been diligently pursuing our fast-to-PoC global strategy, we are aware that there is no assurance that we will always be successful in achieving PoC or pivotal development milestones for any of our product candidates in our Global Portfolio in an accelerated manner. See “Risk Factors” for a detailed description of the risks related to the development and commercialization of our drug candidates.

Monoclonal antibodies—Among the five monoclonal antibody drug candidates, TJM2, TJC4 and TJD5 are undergoing Phase 1 clinical trials in the United States. TJ210 and TJX7 are at the CMC stage and are expected to be ready for investigational new drug (“IND”) submissions and subsequent Phase 1 clinical trials in 2020 in the United States.

TJC4 is an internally discovered, fully human monoclonal antibody targeting CD47, which is one of the most promising immuno-oncology targets after PD-1/PD-L1. Blocking CD47 activates tumor-engulfing macrophages, a component of the innate immune system as an important cancer-fighting mechanism. CD47 antibodies are being actively pursued in clinical trials by a few global companies. However, current development efforts on CD47 antibody drugs are hampered by hematologic side effects (such as anemia) due to their inherent binding to human RBCs. For example, at least two clinical trials conducted by other companies have been suspended. Unlike competitor investigational drugs, TJC4 is a rare antibody originally selected, by design, to purposefully avoid or minimize inherent binding to RBCs while maintaining a high antibody affinity and tumor killing properties. TJC4’s unique property of minimal RBC binding and no significant hematologic changes has been extensively validated in a whole series of robust in vitro assays and primate studies. In a GLP toxicology study involving 40 monkeys, no hematologic side-effects were seen even with repeated injections of 100 mg/kg doses. This unique property may enable TJC4 to be used safely at higher doses to explore its treatment potential in cancers, differentiating it from other clinical stage CD47 investigational antibody drugs. TJC4 is being evaluated in a Phase 1 clinical trial with cancer patients in the United States, and no anemia has been observed in the first cohort of patients so far. In parallel, leveraging the Phase 1 data generated in the United States, we plan to begin a Phase 1 clinical trial of TJC4 in AML patients by the end of 2019 in China, followed by a separate clinical trial in NHL patients in China.

Bi-specific antibody panel—This novel antibody class represents an emerging and fast-moving area of new drug discovery. Bi-specific antibodies are typically constructed to have a dual specificity of two selected antibodies or combined properties of an antibody linked with a cytokine, previously called an immuno-cytokine. According to the Frost & Sullivan Report, checkpoint inhibitors targeting PD-1/PD-L1 had global sales of US$16.3 billion in 2018 and are predicted to reach US$63.4 billion in global sales by 2030. However, despite the recent success of checkpoint inhibitors, clinical efficacy of these drugs has been unsatisfactory. It is estimated that over 60% of cancer patients, including those with melanoma, renal cell cancer, colorectal cancer, non-small cell lung cancer, urothelial cancer and head and neck squamous cell carcinoma, do not respond to PD-1/PD-L1 monotherapies. In addition, some patients develop resistance after initial treatment with these therapies. As a result, the standard of care today leaves many cancer patients underserved. There is consensus among cancer immunologists that tumors that do not respond to PD-1/PD-L1 treatment have poor immunologic features, such as an absence or paucity of tumor-fighting immune cells or the presence of dysfunctional immune cells within the tumors, collectively known as “cold tumors.” We believe that PD-1/PD-L1 non-responders can be better

treated with novel bi-specific antibodies. The unique and superior properties of these bi-specific antibodies over PD-L1 inhibitors alone stem from a second targeting component attached to the PD-L1 antibody moiety of the bi-specific molecules, thereby enabling them to elicit a sufficient immune response and converting a "cold tumor" to an immune-active "hot tumor." Such unique properties of bi-specific antibodies cannot be substituted by a combination of the PD-L1 antibody with a selected second component (either cytokine or antibody) in a free form. The underlying mechanism is such that the second component must be structurally integrated with the tumor-engaging PD-L1 antibody in order to concentrate and function inside the tumor, which cannot be readily achieved by the two free agents used in combination.

We have successfully generated a panel of five bi-specific antibodies in which our proprietary PD-L1 antibody acts as the backbone (the first signal) and is linked with various second components (the second signal) including a 4-1BB agonist antibody (TJ-L14B), a B7-H3 antibody (TJ-L1H3), a CD73 antibody (TJ-L1D5), a CD47 antibody (TJ-L1C4) and an IL-7 cytokine (TJ-L1I7), which are shown to work synergistically with the PD-L1 backbone in various assays and cancer animal models. This unique panel of bi-specific antibodies is only made possible by our proprietary and partnered antibody engineering technologies and the availability of our proprietary monoclonal antibodies. Furthermore, we have generated two other bi-specific antibodies (TJ-C4GM and TJ-CLDN4B) that are tailor-made to function as novel fortified antibodies by linking TJC4 with an engineered GM-CSF cytokine for the treatment of solid tumors and by linking our Claudin-18.2 antibody with a 4-1BB antibody as a unique gastric cancer treatment agent that only activates T cells conditionally upon tumor engagement. All bi-specific antibodies have been validated in a series of robust *in vitro* and *in vivo* studies for biology proof-of-concept, providing a solid basis for clinical validation in cancer patients.

Our Strategies

Moving forward, we strive to become a fully integrated end-to-end global biopharmaceutical company whose capabilities encompass drug discovery, GMP manufacturing, pre-clinical and clinical development and commercialization. To achieve this goal, we intend to pursue the following strategies.

Rapidly advance our China Portfolio towards commercialization

We intend to pursue the most efficient pathway to NDA approval for the investigational drugs in our China Portfolio. In the next 12 months, we expect to make significant advances with our China Portfolio. All of the clinical assets of our China Portfolio are expected to undergo Phase 2, Phase 3 or registrational clinical trials in 2020. We plan to submit NDAs to the NMPA for these products in sequence from 2021 to 2024. With respect to commercialization capabilities, we plan to initially partner with a specialty pharmaceutical company that has existing commercial capabilities and infrastructure in China to jointly market our leading products. Once we have acquired commercial experience and developed a distribution network, we plan to build a robust internal sales and marketing platform.

Expand our research and development capabilities and footprint in the United States to advance our Global Portfolio

As part of our global strategy, we plan to expand our research and development capabilities in the United States to include regulatory affairs, translational medicine, drug formulation and clinical operations. These specific research and development functions in the United States are complementary to and an integral part of our overall research and development capabilities to support clinical development of our Global Portfolio. Currently, three of our investigational antibody drugs (TJM2, TJC4 and TJD5) are in clinical trials in the United States. We aim to continue advancing the ongoing clinical trials to Phase 2 for clinical validation and to initiate multiple new clinical programs by the end of 2020 or early 2021 in the United States. In addition, we intend to expand our operational footprint in the United States to create an independent multi-functional business entity covering global business development, investor relations and corporate communications and other operational capabilities. We are in the process of assembling an integrated management team with global experience and extensive track record dedicated to overseeing our operations in the United States.

Build our manufacturing capabilities

We believe it is advantageous that we own and control our GMP manufacturing process in order to ensure quality and secure production slots for clinical trial materials and commercial supplies. We plan to commence the construction of our own comprehensive biologics manufacturing facility by the end of 2019 in Hangzhou, China. At this planned manufacturing facility, we intend to produce drug substance and drug product for clinical use as well as future commercial use. We envisage this facility to include a pilot GMP manufacturing plant with two 500-liter and two 2,000-liter single-use bioreactors, and upon completion of the construction, a commercial scale manufacturing plant with eight more 2,000-liter single-use bioreactors with filling and finishing lines.

Maximize the value of our pipeline

In addition to our successful in-licensing efforts, we have established a good track record of out-licensing collaborations and co-development partnerships. For the years ended December 31, 2017 and 2018 and the six months ended June 30, 2019, we recorded revenues of RMB11.6 million, RMB53.8 million and RMB15.0 million (US$2.2 million) from upfront and milestone payments through two out-licensing deals, respectively. We have reached cost-sharing co-development deals for some of our drug candidates with multiple global and regional partners. These achievements have not only demonstrated our ability to optimize our pipeline but also provided a sustainable revenue stream. Going forward, we plan to enhance our out-licensing efforts. We expect that the revenue generated from out-licensing opportunities will continue to increase and will account for the majority of our net revenue before the commercialization of our marketed products.

Our Drug Pipeline

China Portfolio

TJ202: A Potential Highly Differentiated CD38 Antibody for Multiple Myeloma and Autoimmune Diseases

Summary

TJ202 (MOR202) is a fully human, highly differentiated monoclonal antibody directed against CD38. TJ202, if approved, is positioned as a potential highly differentiated anti-CD38 therapy for multiple myeloma (“MM”), either as a monotherapy or as a combination therapy with other anti-cancer agents. We aim to demonstrate the advantages of TJ202, including its shorter infusion time, lower infusion reaction rate (“IRR”) and potentially sustained efficacy compared to other CD38 antibodies, in our ongoing clinical trials in China. Additionally, as pathogenic CD38-positive B cells and plasma cells are strongly implicated in the disease progression of pathogenic antibody-mediated autoimmune diseases, we believe the therapeutic value of TJ202 can be extended to these diseases that have significant unmet medical needs. We have begun to explore its therapeutic application in systemic lupus erythematosus (“SLE”) and later in other autoimmune diseases. In November 2017, we obtained an exclusive license from MorphoSys to develop TJ202 in Greater China. The development of TJ202 is driven by a fast-to-market strategy. We have started a Phase 2 registrational trial for a third-line monotherapy and a Phase 3 trial in combination with lenalidomide as a second-line therapy, both in patients with relapsed or refractory MM (“RRMM”) in Greater China. We aim to submit an NDA for TJ202 as a monotherapy in 2021, followed by another NDA submission for TJ202 as a combination therapy. An IND application for a trial in SLE is expected to be submitted in the fourth quarter of 2019.

Therapeutic Options and Current Development

Multiple Myeloma (MM)

The treatment options and investigational drugs under development in China include: (i) for small molecule drugs, two or three approved drugs known as doublets or triplets are used. VRD triplet (Velcade (bortezomib), Revlimid (lenalidomide) and dexamethasone) has recently been approved for overseas frontline treatment and is recommended in China in the 2017 version of treatment guideline. VCD triplet (Velcade, cyclophosphamide and

dexamethasone) is the most widely adopted first-line treatment in China due to its lower cost. In 2017, lenalidomide and bortezomib were included in the National Reimbursement Drug List in China; (ii) with respect to CD38 antibody therapy, daratumumab (from Johnson & Johnson) received conditional NDA approval from the NMPA in July 2019, and isatuximab (from Sanofi) is in a Phase 3 trial in China; and (iii) for CAR-T therapy, several Phase 1 or 2 clinical trials are ongoing in China.

However, there is no curative treatment for MM. Although the currently marketed CD38 antibody in China is efficacious, it takes a long time to be administered by IV infusion (up to six hours) and causes a high infusion reaction rate ("IRR"). In clinical trials, approximately half of all patients experience an infusion reaction, symptoms of which may include fever, chills, nausea, bronchospasm, hypoxia, dyspnea, hypertension, laryngeal edema and pulmonary edema. Thus, there is a need for a safer and convenient-to-use drug. Such a drug may be combined with other therapeutic agents for better treatment effects in MM.

Systemic Lupus Erythematosus (SLE)

Patients with mild SLE are often given non-steroidal anti-inflammatory drugs, while more severe patients may need corticosteroids or immunosuppressants. Approved by the FDA in 2011 and by the NMPA in July 2019, Benlysta (belimumab), a B-lymphocyte stimulator (BLyS)-specific inhibitor developed by GSK, is currently the world's only biologic approved to treat SLE. However, there remains a significant unmet medical need beyond belimumab for SLE in China and the rest of the world. As dysregulated CD38-positive B cells and auto-antibodies produced by CD38-positive plasma cells and resulting immune complexes are at the core of the pathogenesis of SLE, direct inhibition and selective depletion of pathogenic B cells and plasma cells are believed to offer better treatment options. Our TJ202 has the potential to offer such a disease-modifying treatment option. In addition, as described below, the advantages of our TJ202 include convenience of use and a lower IRR, making it a more favorable treatment agent in the long-term clinical management of SLE if approved.

Advantages of TJ202

TJ202, if approved, is a potentially highly differentiated CD38 monoclonal antibody and could be the second antibody therapy for MM to launch in China. A Phase 2a trial of TJ202 in MM showed a level of treatment effects comparable to that observed in trials of the currently marketed CD38 antibody. However, available trial data from MorphoSys and Johnson & Johnson indicate that with similar pre-medications of dexamethasone, anti-pyretics and anti-histamines, TJ202 required only a short infusion time of 0.5 to 2 hours, compared to 3.5 to 6.5 hours for the currently marketed CD38 antibody. Moreover, the IRR was as low as 7% for TJ202, compared to 48% for the currently marketed CD38 antibody. The advantages of TJ202 associated with infusion may be attributed to its lack of antibody CDC activity and are likely to translate into clinical benefits in terms of tolerability and convenience of use as well as economic benefits due to the cost and length of hospital stay. In addition, unlike the currently marketed CD38 antibody, TJ202 treatment does not down-regulate CD38 expression on the surface of bone marrow myeloma cells in vitro, maintaining sensitivity of malignant myeloma cells to repeated TJ202 treatments. As TJ202 is being considered for long-term treatment management of autoimmune diseases, we believe such clinical differentiation is critical.

For autoimmune diseases, TJ202 has advantages over other B cell-targeting therapies such as CD20 antibodies, as it specifically targets malfunctioned $CD38^{high}$ B cells and pathogenic plasma cells involved in autoimmune diseases while CD20 antibodies target most B cells, including those involved in normal immune functions and regulatory functions, but not plasma cells producing pathogenic antibodies.

Mechanism of Action

TJ202 binds to CD38 overexpressed on the surface of target cells and kills them by inducing antibody-dependent cellular cytotoxicity ("ADCC") and antibody-dependent cellular phagocytosis ("ADCP"). The target

cells are the malignant plasma cells in MM and a group of dysregulated CD38^{high} B cells and plasma cells that produce pathogenic antibodies in autoimmune conditions such as SLE.

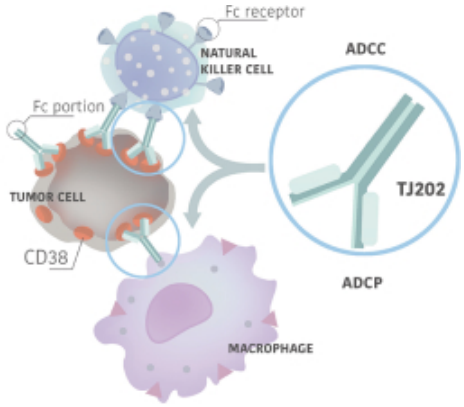


Figure: TJ202 kills CD38-bearing tumor cells by inducing ADCC and ADCP.

Summary of Clinical Results

MorphoSys has conducted a Phase 1/2a study in adult patients with relapsed or refractory MM in Austria and Germany.

Study Design. The open-label, multicenter, dose-escalation study was designed to characterize the safety profile and preliminary efficacy of TJ202 in adults with RRMM. A 3+3 dose escalation design was used to establish the maximum tolerated dose ("MTD"), recommended dose and dosing regimen of TJ202 as monotherapy, weekly or bi-weekly, with or without dexamethasone ("DEX"), and in combination with pomalidomide ("POM") and DEX or lenalidomide ("LEN") and DEX standard regimens. The MTD and recommended dose and dosing regimens were to be confirmed in three confirmation cohorts of at least six evaluable subjects each. TJ202 dose levels in this study ranged from 0.01 mg/kg to 16.0 mg/kg, administered by intravenous ("IV") infusion.

The clinical study results as of the data cutoff date, December 31, 2017, are summarized as follows.

Safety. TJ202 was well tolerated in patients with RRMM, as a single agent and in combination with DEX, or with POM/DEX, or with LEN/DEX. The MTD of TJ202 was not reached. In the 56 patients from three groups receiving combination regimens, grade ³3 adverse events ("AEs") were mainly in the hematological system reflected by a decrease of various blood cells. This was as expected, because of decreased bone marrow function due to the presence of myeloma as well as the expression of CD38 on various cell lineages of the myeloid and lymphoid compartments. Most of the hematological adverse events were transient and generally manageable.

TJ202 was administered as a two-hour IV infusion at first dose and infusion time could be reduced to as short as 30 minutes at subsequent doses without obvious safety concerns. Among all cohorts, infusion-related reactions, including tachycardia, pyrexia and hypersensitivity, occurred in 18 of 91 patients (19.8%) and were mostly mild to moderate. In the combination cohorts containing DEX, a very low IRR (4 out of 56 patients (7%)) was observed. These results compared favorably with the historical data of the currently marketed CD38 antibody.

Clinical Efficacy. Preliminary efficacy results were based on 56 patients from three groups treated with TJ202 combination therapies. No responses were observed for the monotherapy groups which were primarily serving for dose escalation. TJ202 in combination with low dose DEX, POM/DEX or LEN/DEX demonstrated

an overall response rate ("ORR") of 28%, 48% and 65%, respectively. Durable responses were observed as median progression-free survival ("PFS") was of 8.4 months and 17.5 months for the DEX and the POM/DEX combination groups, respectively, and PFS levels were not reached for the LEN/DEX combination group, as there were not sufficient events of progression recorded.

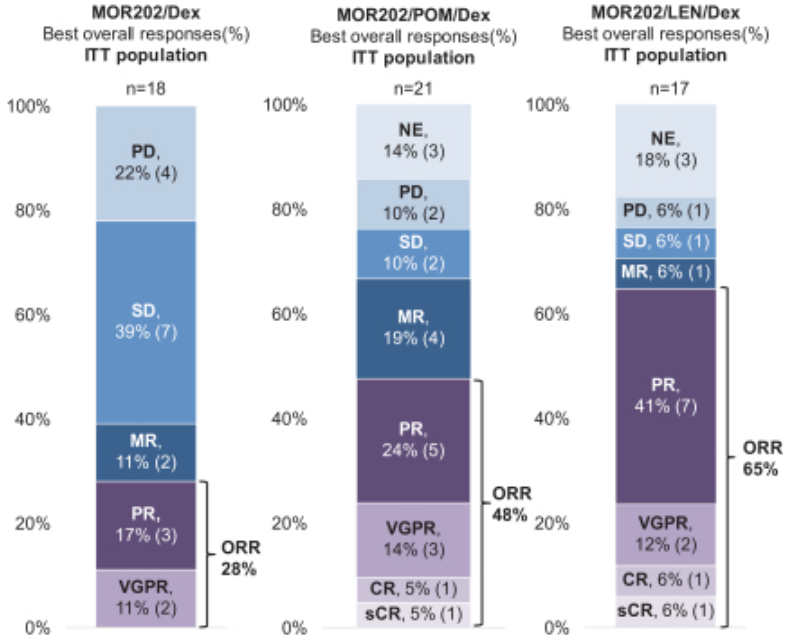


Figure: Best overall response and ORR. Patients were treated with TJ202 (MOR202) in combination with low dose of DEX (40 mg for 75 years old and younger, or 20 mg for older than 75 years old), POM (4 mg) /Dex or LEN (25 mg)/Dex. Dex: dexamethasone; POM: pomalidomide; LEN: lenalidomide; ITT: intent to treat; NE: not evaluable; PD: progressive disease; SD: stable disease; MR: minimal response; PR: partial response; VGPR: very good partial response; CR: complete response; sCR: stringent complete response; ORR: overall response rate. (Source: MorphoSys)

The definitions of PD, SD, MR, PR, VGPR, CR and sCR and how these responses were measured for multiple myeloma are set forth in the table below. *(Source: International Myeloma Working Group Uniform Response Criteria (2006) and European Group for Blood and Marrow Transplantation Criteria)*

Response subcategory	Criteria[a]
sCR	• CR as defined below plus Normal free light chain ratio (FLC) and Absence of clonal cells in bone marrow[b] by immunohistochemistry or immunofluorescence[c]
CR	• Negative immunofixation on the serum and urine and • Disappearance of any soft tissue plasmacytomas and • <5% plasma cells in bone marrow[b]
VGPR	• Serum and urine M-protein detectable by immunofixation but not electrophoresis or • [3]90% reduction in serum M-protein plus urine M-protein level <100 mg/24 hours

Response subcategory	Criteria[a]
PR	• ³50% reduction of serum M-protein and reduction in 24-hour urinary M-protein by ³90% or to <200 mg/24 hours • If the serum and urine M-protein were unmeasurable, a ³50% decrease in the difference between levels of involved and uninvolved free-light-chains instead of the M-protein criteria • In addition to the above-listed criteria, if present at baseline, a ³50% reduction in the size of soft tissue plasmacytomas was also required
MR[d,e]	• 25–49% reduction in level of serum M-protein • 50–89% reduction in 24-hour urinary M-protein, which still exceeds 200 mg/24 hours. If present at baseline, 25–49% reduction in the size of soft tissue plasmacytomas (by radiography or clinical examination) • No increase in the size or number of lytic bone lesions (development of a compression fracture did not exclude response)
SD[f]	• Not meeting criteria for CR, VGPR, PR, MR, or PD
PD	NOTE: Required any 1 or more of the following: Increase of ³25% from nadir in • Serum M-component and/or (absolute increase ³0.5 g/dL)[g] • Urine M-component and/or (absolute increase ³200 mg/24 hours) • Only in subjects without measurable serum and urine M-protein levels: the difference between involved and uninvolved FLC levels. Absolute increase >10 mg/dL. • Bone marrow plasma cell percentage: absolute % ³ 10%[h] • Definite development of new bone lesions or soft tissue plasmacytomas or definite increase in the size of existing bone lesions or soft tissue plasmacytomas • Development of hypercalcemia (corrected serum calcium >11.5 mg/dL or 2.65 mmol/L) that could be attributed solely to the plasma cell proliferative disorder

Notes:
a All response categories required 2 consecutive assessments made at any time before the institution of any new therapy; all categories also required no known evidence of progressive or new bone lesions if radiographic studies were performed. Radiographic studies were not required to satisfy these response requirements.
b Confirmation with repeat bone marrow biopsy not needed.
c Presence/absence of clonal cells was based upon the k/l ratio. An abnormal k/l ratio by immunohistochemistry and/or immunofluorescence required a minimum of 100 plasma cells for analysis. An abnormal ratio reflecting presence of an abnormal clone is k/l of >4:1 or <1:2.
d MR also included subjects in whom some, but not all, the criteria for PR were fulfilled, provided the remaining criteria satisfied the requirements for MR.
e The response criterion MR did not apply to subjects who presented with serum FLCs only.
f Per the International Myeloma Working Group Uniform Response Criteria, stable disease was not recommended for use as an indicator of response; stability of disease is best described by providing the time to progression estimates.
g For progressive disease, serum M-component increases of ³1 g/dL were sufficient to define relapse if starting M-component was ³5 g/dL.
h Relapse from CR has the 5% cut-off versus 10% for other categories of relapse.

Pharmacodynamics. As a pharmacodynamic marker, serum myeloma (M) protein levels were used to evaluate severity and clinical response. The median relative change in M protein levels from baseline to post-baseline nadir for TJ202 in combination with low doses of DEX, POM/DEX or LEN/DEX was -13%, -58% and -81%, respectively. The data below show strong effects of TJ202 in reducing M protein levels.

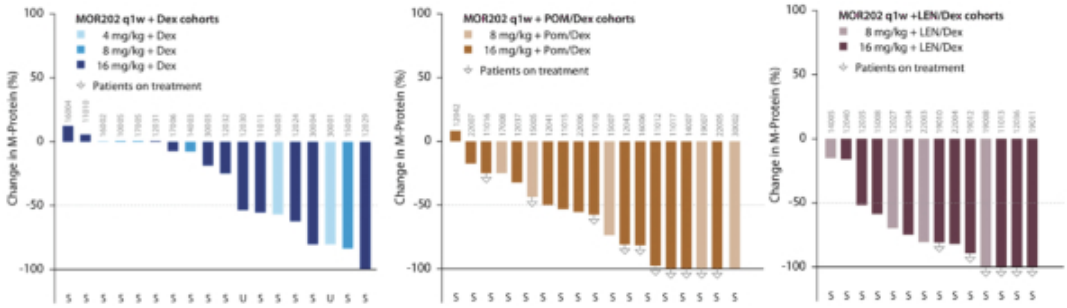


Figure: The relative change in M protein levels from baseline to post-baseline nadir. Patients were treated with TJ202 (MOR202) in combination with low doses of DEX, POM/DEX or LEN/DEX. S: serum sample; U: urine sample. (Source: MorphoSys)

Pharmacokinetics ("PK"). The PK of TJ202 in humans was well characterized by a two-compartment model at dose levels greater than 4 mg/kg. At these doses, stable or even increasing trough levels could be observed over time suggesting the potential for full target occupancy, especially at the highest dose level (16 mg/kg). For most subjects, steady state at 16 mg/kg was observed after the fourth infusion. Terminal half-life at high-dose levels (³ 4 mg/kg) was at approximately two weeks. Pharmacokinetics of TJ202 were generally consistent across different individuals and dosing days and not affected by the co-medications.

Immunogenicity. No anti-drug antibody ("ADA") against TJ202 was observed as of the cut-off date. Thus, risk of ADA induction for TJ202 in humans is considered low.

Clinical Development Plan

Immediately after in-licensing TJ202, we formulated a robust clinical development strategy with an aim for an NDA submission by 2021. With an approved IND, we have started a single-arm registrational trial with TJ202 and DEX as a third-line therapy for RRMM patients in Greater China using ORR as the primary endpoint (NCT03860038). Dosing of the first patient took place in March 2019. Data from this 82-patient study are expected to be the major package supporting registrational filing for conditional approval in 2021. In parallel, we started a Phase 3 registrational trial combining TJ202 with LEN and DEX as a second-line combination therapy in RRMM patients (NCT03952091). We plan to enroll 291 patients for full approval. Dosing of the first patient took place in Taiwan in April 2019.

Our clinical development plan for SLE starts with a Phase 1b clinical trial to explore dose range, clinical safety and tolerability as well as TJ202's profiles of PK and pharmacodynamics ("PD") in SLE patients. We expect to file an IND application in the fourth quarter of 2019 and start this trial in the first half of 2020.

TJ107 (Efineptakin): A Potential First-in-Class Long-Acting IL-7 for Cancer Treatment-Related Lymphopenia and Cancer Immunotherapy

Summary

TJ107 (international nonproprietary name ("INN"): efineptakin) is the world's first and only long-acting recombinant human interleukin-7 ("rhIL-7"), which is being developed as a T lymphocyte-booster for cancer-

related immunotherapy. Due to its advantages in terms of selective immune functions, improved stability, developability, and extended half-life, TJ107 is differentiated from an earlier generation of short-acting rhIL-7 and T cell growth factor (interleukin-2). In December 2017, we acquired exclusive rights from Genexine to develop and commercialize TJ107 in Greater China. We plan to position TJ107 first as a monotherapy or an oncology care product for cancer patients with cancer treatment-related lymphopenia (low blood lymphocyte levels) induced by chemotherapy or radiation therapy. This target indication covers a large population of cancer patients who develop cancer treatment-related lymphopenia, a condition that weakens the ability to receive continued chemotherapy or radiation therapy and leads to worsened disease prognosis and clinical outcome. Currently, there is no treatment available for this condition. Second, TJ107 is expected to show a therapeutic effect as a combination therapy with immune checkpoint inhibitors, i.e., PD-1/PD-L1 therapies, due to its inherent selective T cell-boosting properties. Pre-clinical studies have indicated that TJ107 exerted additional anti-tumor effect when combined with PD-1/PD-L1 therapies. If proven efficacious in clinical studies, we believe such a combination therapy, can potentially treat a large population of cancer patients who do not respond or respond poorly to PD-1/PD-L1 therapies. We are conducting a Phase 1b study in China to determine a suitable dose range for subsequent trials. We expect to start a Phase 2 trial in glioblastoma mutliforme patients with lymphopenia in the second half of 2020.

Therapeutic Options and Current Development

One of the target therapeutic indications of TJ107 is cancer treatment-related lymphopenia. Cancer patients who undergo chemotherapy and/or radiation therapy often develop cancer treatment-related lymphopenia, which further damages their already compromised immune systems and their ability to fight against cancers. According to the Frost & Sullivan Report, more than 85% of all cancer patients receive chemotherapy or radiation therapy, and 43% of these patients develop lymphopenia, which represents a significant unmet medical need, as currently no drug is available for the treatment of lymphopenia. Advanced solid tumor is another indication of TJ107 as a combination therapy with PD-1/PD-L1 treatments. As more than 60% cancer patients either do not respond or respond poorly to current PD-1/PD-L1 therapies, there are intense attempts to identify an effective agent that can work synergistically with PD-1/PD-L1 therapies to increase the probability of treatment success. TJ107 is believed to provide such a treatment option, which is supported by pre-clinical reports that IL-7 exhibits a synergistic effect with PD-1/PD-L1 antibodies in the treatment of cancers.

Advantages of TJ107

TJ107 has an advantage over other T lymphocyte cytokines with therapeutic potential in oncology. Pre-clinical and clinical results generated so far indicate that TJ107 has a favorable immune function profile over recombinant human interleukin-2 (“rhIL-2”) in that TJ107 activates and expands tumor-fighting CD4, CD8 and natural killer T cells but spares tumor-protecting Treg cells. By contrast, rhIL-2 is a well-known inducer of Tregs, which suppresses tumor-fighting effector T cells. Furthermore, rhIL-2 has a narrow therapeutic window and causes serious side effects such as capillary leak syndrome, breathing problems, serious infections, and seizures. A polyethylene glycol (PEG)-conjugated IL-2 variant recently developed by Nektar Therapeutics has yielded mixed results, indicating the complexity associated with using IL-2 as a cancer treatment. Owing to its preferred immune function and molecular profiles demonstrated in pre-clinical and Phase 1/2 clinical trials, we believe that TJ107 is a superior T cell cytokine investigational drug for cancer treatment-related lymphopenia and cancer immunotherapy.

TJ107, as an engineered rhIL-7, has the advantages of improved stability and half-life extension through Genexine’s proprietary hybrid fragment crystallizable region (“hyFc”). Introducing a few hydrophilic amino acid residues to the N-terminus of IL-7 overcomes stability issues that hampered the development of previous rhIL-7 drug candidates. Furthermore, application of the hyFc technology enhances IL-7’s function, increases its half-life (from 48 to 112 hours after a single subcutaneous (“SC”) dose in clinical studies), and allows for a robust purification process. By contrast, the half-life of first-generation rhIL-7 was reported to be about 12 hours after SC dosing in human subjects. The hyFc in TJ107 is also non-cytolytic, so it will not damage the T cells to which

it binds. Unlike TJ107, the previous rhIL-7 drug candidates adopt non-glycosylated (CYT 99-007) or glycosylated (CYT-107) forms of short-acting rhIL-7 and were developed by Revimmune Inc (formerly known as Cytheris SA). These molecules had low stability, low production yield, and a short half-life because IL-7 protein is intrinsically unstable and prone to aggregation. However, the preliminary clinical results from Phase 1 and Phase 2 trials in patients with AIDS did show an increase of T lymphocytes following treatment with CYT-107 (Thiebaut R et al., PLoS Comput Biol., 2014).

Mechanism of Action

IL-7 is a cytokine essential for the survival and homeostatic proliferation of naive and memory T cells (see figure below). IL-7 is critically involved in restoring T cells to normal levels in the event of lymphopenia by stimulating T cell proliferation. IL-7 exerts its functions by binding to and activating the IL-7 receptor, which is expressed primarily on lymphocytes, including the lymphoid precursors, developing T and B cells, naive T cells, and memory T cells, but not on tumor-protecting Tregs. TJ107 as a monotherapy may enhance anti-tumor immunity by augmenting the number and functionality of T cells, whereas TJ107 in combination with an immune checkpoint inhibitor, cancer vaccine or CAR-T may improve the anti-tumor response by restoring T cell numbers, reconstituting T cell pools and reinvigorating exhausted T cells.

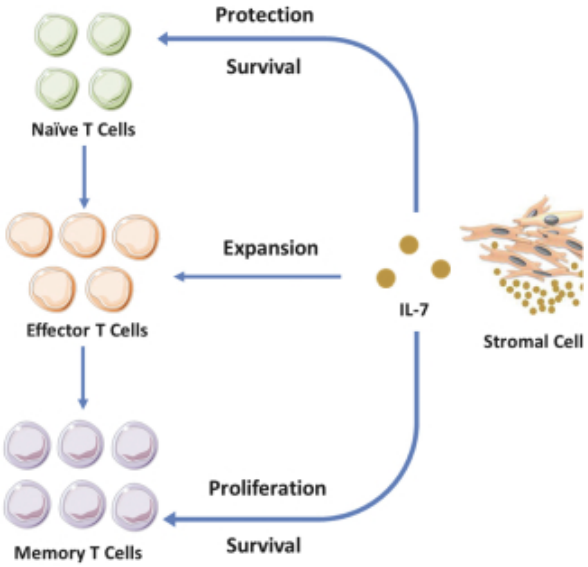


Figure: Role of IL-7 in T cell maintenance and proliferation.

Summary of Clinical Results

A first-in-human Phase 1 trial has been conducted by Genexine in South Korea. This was a randomized, double-blind, placebo-controlled, single ascending dose study, to evaluate the safety, tolerability, pharmacokinetic and pharmacodynamic properties of 20 or 60 µg/kg TJ107 via SC or intramuscular ("IM") administration in healthy volunteers. Each dose group consisted of 10 subjects, eight of whom were administered TJ107 and two were given placebo via the same route of administration.

Safety. TJ107 was well-tolerated in all 30 subjects without serious adverse events. The most common adverse events were transient Grade 1 or 2 injection site skin reactions.

Pharmacodynamics ("PD"). Because IL-7 promotes the survival and proliferation of T cells, absolute lymphocyte count ("ALC") in the peripheral blood was used as a reliable and convenient PD marker for TJ107 (see figure below). ALC initially decreased transiently in all TJ107 groups. This effect is often termed margination, which is a physiological phenomenon common to many cytokines as a result of increased adherence of cytokine-stimulated white blood cells to the blood vessels and subsequent trafficking to tissues and lymphoid organs. ALC recovered in approximately seven days, reaching a maximum value at close to 21 days, before gradually declining. This result indicated that a single dose of TJ107 had a long-lasting effect of increasing lymphocyte levels. Overall, a greater increase in ALC was observed in Cohort 2 compared with Cohort 1, demonstrating a dose-dependent response. Additionally, a higher increase in ALC was observed in Cohort 3 compared with Cohort 2, which was consistent with the results of an animal study, where IM injection induced a more effective increase in lymphocytes than SC injection.

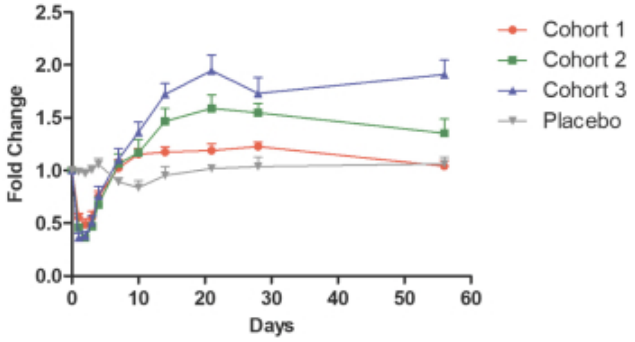
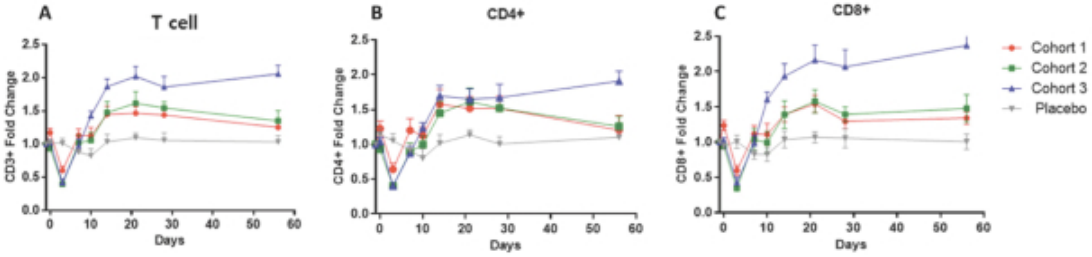


Figure: Median fold changes of ALC following a single dose of TJ107 in humans. Cohort 1: 20 µg/kg, SC; Cohort 2: 60 µg/kg, SC; and Cohort 3: 60 µg/kg, IM. (Source: Genexine)

TJ107 treatment resulted in a substantial increase in the number of CD4 and CD8 T cells, natural killer T cells, naive T cells, central memory, effector memory, and terminally differentiated effector memory T cells, without affecting the number of B cells, natural killer cells, monocytes or Tregs.



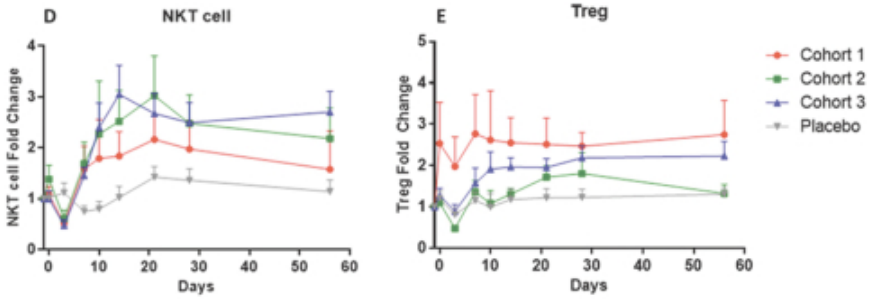


Figure: *Median fold changes of T cells and subsets following a single dose of TJ107 in human subjects. Cohort 1: 20 µg/kg, SC; Cohort 2: 60 µg/kg, SC; Cohort 3: 60 µg/kg, IM. (A) CD3+T cells, (B) CD4+T cells, (C)CD8 + T cells, (D) Natural Killer T cells, and (E) regulatory T cells (Treg). (Source: Genexine)*

Pharmacokinetics. TJ107 was slowly absorbed, particularly after SC administration, and was slowly removed, resulting in a half-life of 48 to 112 hours, longer than that reported for the first generation rhIL-7 (about 12 hours). Intramuscular TJ107 showed approximately two-fold greater exposure than SC administration at the same dose level of 60 µg/kg. The higher plasma exposure of TJ107 after IM administration was well-correlated with a more robust PD effect on ALC in Cohort 3.

Immunogenicity. ADAs were detected in 22 of 24 subjects treated with TJ107. One subject in Cohort 3 was positive for ADAs before treatment. Neutralizing antibodies were observed in 42% and 46% of the subjects within one to two months following administration, respectively, but only one person still harbored neutralizing ADAs five months after administration.

The clinical relevance of ADA was evaluated during long-term follow-up monitoring. ALC levels were maintained above the baseline values, endogenous IL-7 was maintained at normal levels, and no specific adverse events associated with ADAs were observed. These results are consistent with well-documented reports that a normal individual can harbor pre-existing auto-antibodies for cytokines such as IL-2, IL-3, IL-4, and IL-7, and that these anti-cytokine antibodies tend to serve as a reservoir and carrier of the cytokines in the blood, extending the half-life of these cytokines and preserving their functions.

Clinical Development Plan

By leveraging the results of Genexine's ongoing clinical trials in South Korea and the United States, we aim to rapidly advance the clinical development of TJ107 for approval in Greater China. Currently, a Phase 1b trial in China is ongoing to investigate the safety, tolerability and PK/PD response of TJ107 in patients with advanced solid cancers. The clinical trial (NCT04001075) is designed to include: (i) dose escalation of TJ107 using a conventional "3 + 3" study design to identify a safe and active dose range and (ii) dose expansion to confirm the safety and obtain preliminary evidence of efficacy. We have finished the dose escalation for the first patient cohort, and the safety and tolerability profile as well as the PK/PD response are consistent with other ongoing studies of TJ107.

After determining the recommended Phase 2 dose ("RP2D") in the Phase 1b trial, we expect to start a Phase 2 trial in glioblastoma multiforme patients with lymphopenia in the second half of 2020. Based on results from the subgroup of patients with lymphopenia in the Phase 1b trial, we plan to further develop TJ107 monotherapy in cancer treatment-related lymphopenia.

Genexine has initiated a dose-finding trial in combination with checkpoint inhibitors in patients with solid tumors. Meanwhile, Genexine is also sponsoring additional early-stage clinical trials in advanced solid tumors, including glioblastoma and high-risk skin cancer, in the United States and South Korea. The safety,

pharmacology and preliminary efficacy data from these ongoing studies are expected to significantly facilitate our clinical development of TJ107 in Greater China.

TJ101: A Potential highly differentiated Long-Acting Growth Hormone for Growth Hormone Deficiency

Summary

TJ101, if approved, is a potential highly differentiated long-acting recombinant human growth hormone ("rhGH") (INN: eftansomatropin) being developed as a more convenient and effective therapy for growth hormone deficiency ("GHD"), for which there is substantial unmet medical need in China. TJ101 met the pre-set safety endpoints in three multi-regional clinical trials conducted in Europe and Asia and preliminary efficacy endpoints in pre-pubertal growth hormone naive pediatric growth hormone deficient ("PGHD") patients. In contrast to marketed short-acting rhGH such as Genotropin, TJ101 showed similar efficacy results in a weekly (vs. daily) regimen. Furthermore, TJ101 has not shown the safety concerns typically associated with approved pegylated drugs. We in-licensed the China rights to TJ101 from Genexine and are positioning TJ101 as a highly differentiated growth hormone replacement therapy because of its advantages over a daily regimen in terms of injection frequency (weekly vs. daily) and safety profile (natural protein-based vs. pegylated long-acting rhGH), especially in pediatric patients. We are preparing for a registrational Phase 3 trial in China to validate the efficacy, safety, pharmacodynamics, and pharmacokinetics of TJ101 in PGHD, with a plan for IND submission in the first half of 2020.

Therapeutic Options and Current Development

Our current therapeutic indication is PGHD. The widely adopted treatment for PGHD is patient-specific growth hormone replacement therapy, which is given in a calculated weight-based dosing regimen. Currently, short-acting recombinant human growth hormone ("rhGH") is commonly used for the long-term treatment of children and adults with inadequate endogenous growth hormone secretion. There are certain safety concerns related to long-term use of pegylated drugs, such as potential renal toxicity, cellular vacuolation and formation of anti-polyethylene glycol antibodies. Approved by the NMPA in 2014, Jintrolong (developed by GeneScience) is currently the only long-acting pegylated rhGH in China, according to the Frost & Sullivan Report. Other companies in China currently developing long-acting rhGH include Anhui Anke Biotechnology and Generon Pharmaceutical Technology. Our TJ101 is the only Fc-based long-acting rhGH ready for a Phase 3 clinical trial in China.

According to the Frost & Sullivan Report, only 3.7% of all PGHD patients in China were receiving growth hormone replacement therapy in 2018, which primarily consists of daily injections of rhGH before sleep. This dosing regimen puts a substantial burden on pediatric patients and their families because it requires drug preparation and needle injection every day, which is painful and extremely inconvenient, often resulting in poor patient compliance. More importantly, studies have shown that skipping just one or two doses in a week can markedly reduce the efficacy of the treatment. Therefore, there is a substantial unmet medical need for long-acting growth hormone therapies that are similarly efficacious but with reduced injection frequency, and the market potential for such a long-acting rhGH in China is largely untapped. In addition, recombinant human growth hormone therapy has been included in the National Reimbursement Drug List (NRDL) in China. Inclusion of a drug in the NRDL typically results in a much higher sales volume and significant sales growth despite a reduction in price.

Advantages of TJ101

We believe that TJ101 has the following advantages: (i) when compared to the daily regimen of rhGH, TJ101 is expected to be a more convenient therapy with better patient compliance due to a reduced dosing frequency to either weekly or twice-monthly administration, while maintaining similar efficacy; and (ii) TJ101 has not shown safety concerns typically associated with pegylated drugs, such as potential renal toxicity, pre-existing or treatment-induced anti-PEG antibodies, and cellular vacuolation in macrophages, renal tubule cells and the choroid plexus epithelial cells.

Mechanism of Action

Like endogenous growth hormone, TJ101 stimulates the production of insulin-like growth factor 1 ("IGF-1") in the liver, which has growth-stimulating effects on a variety of tissues, including osteoblast and chondrocyte activities that stimulate bone growth. Thus, IGF-1 is a reliable pharmacodynamic marker and more importantly, the key mediator of TJ101's growth-promoting activity. TJ101 is based on Genexine's patented hyFc technology. The hyFc part consists of a portion of human immunoglobulin D ("IgD") and G_4 ("IgG_4"). The former contains a flexible hinge, and the latter is responsible for half-life extension through neonatal Fc receptor ("FcRn")-mediated recycling. Additionally, TJ101's increased molecular weight (103 kilodalton) is expected to reduce renal clearance.

Figure: Schematic presentation of the structure of TJ101. CH2 & CH3: Constant regions 2 & 3 of antibody heavy chains, respectively; hGH: human growth hormone. (Source: Genexine)

Summary of Clinical Results

Genexine has completed three clinical trials with TJ101, including one Phase 1 trial in healthy adult volunteers, one Phase 1b/2 multi-regional trial in adults with GHD, and one Phase 2 multi-regional trial in PGHD in Europe, altogether involving 32 healthy subjects and 99 patients with GHD and PGHD. Overall, TJ101 was shown to be well-tolerated, and clinical efficacy endpoint achieved by weekly or twice-monthly TJ101 administration was comparable to that of daily administration of Genotropin.

Phase 1 Clinical Trial

The first-in-human trial of TJ101 was a randomized, double-blind, placebo-controlled single dose-ascending study in four groups of healthy subjects. A total of 32 subjects were enrolled, and 31 completed the study. TJ101 was shown to be well-tolerated at all dose levels studied (0.2–1.6 mg/kg). TJ101 was detectable in the blood until Day 7 for the 0.2 mg/kg dose group, Day 14 for the 0.4 and 0.8 mg/kg dose groups, and Day 21 for the 1.6 mg/kg dose group. A single subcutaneous ("SC") injection of TJ101 at dose levels of 0.4 mg/kg and higher increased IGF-1 and IGF-binding protein-3 ("IGFBP-3") levels for at least one week. No safety concerns were identified. TJ101 showed a half-life ranging from 69.2 to 138 hours.

Phase 2 Clinical Trial in PGHD

Study Design. The Phase 2 trial in PGHD was a randomized, open-label, active-controlled study to assess the safety, tolerability, efficacy, pharmacokinetics, and pharmacodynamics of weekly and twice-monthly doses of TJ101, as compared to a daily injection of Genotropin, which is currently the standard of care for PGHD. Subjects were randomly assigned to receive one of three doses of TJ101 (0.8 mg/kg/weekly, 1.2 mg/kg/weekly or 2.4 mg/kg/twice monthly) or 0.03 mg/kg/daily of Genotropin for up to 24 months. The primary clinical endpoint was annualized height velocity (aHV) in centimeters (cm) per year (equivalent to annual growth rate), measured at six months. A total of 56 subjects were randomized at 27 centers in nine European countries and South Korea. Fifty two subjects completed the six-month treatment (through Visit 7), meeting the primary endpoint. Two subjects withdrew from the study before first drug administration, and two subjects discontinued due to

treatment-related adverse events ("AEs"). Genexine and its co-developer Handok presented the latest interim results of the Phase 2 clinical trial for PGHD in March 2018 at the Endocrine Society's annual meeting.

Safety. No study drug-related serious adverse events ("SAEs") or death were observed. The tolerability of TJ101 was consistent with known properties of marketed products. The AE incidence rate was generally similar across the TJ101 cohorts treated with three different dose levels (ranging between 69.2% and 84.6%) and the Genotropin cohort (57.1%). A total of two (14.3%), three (23.1%), two (15.4%), and zero subjects experienced treatment-related AEs in the 0.8 mg/kg/week, 1.2 mg/kg/week, and 2.4 mg/kg/twice monthly TJ101 groups, and the 0.03 mg/kg/daily Genotropin group, respectively.

Two subjects withdrew from the study due to treatment-related AEs. One subject from Cohort 2 (1.2 mg/kg/week of TJ101) discontinued due to retinal vascular disorder. The Data and Safety Monitoring Board ("DSMB") reviewed this case independently, concluding that the retinal finding was more likely to be of completely different etiology than treatment-induced intracranial hypertension. One subject from Cohort 3 (2.4 mg/kg/twice monthly of TJ101) discontinued due to pseudopapilloedema (optic disc drusen), which was assessed by the principal investigator to be mild with continuous frequency and possibly related to the study drug.

Injection site reactions ("ISRs") were reported by 13 out of 40 subjects (32.5%) in the TJ101 cohorts. Pain was the most prominent and common symptom observed in 10 subjects. Also, six subjects reported redness, four reported itching, and one reported bruising, swelling and warmness. With respect to the Genotropin cohort, pain was the only ISR reported in 683 cases by 11 out of 14 subjects (78.5%). None of the ISRs led to discontinuation of treatment, and most of the reported ISRs posed no issue for the subjects and were resolved quickly. No safety signal was detected in laboratory parameters or vital signs for either TJ101 or Genotropin.

Pharmacokinetics. Half-life of TJ101 was 77.75–141.95 hours after a single dose and 43.92–55.66 hours (compared to 5.27 hours for Genotropin) after three months of multiple-dose administration.

Immunogenicity. Formation of treatment-emergent ADA with neutralizing property was reported in two subjects (one from Cohort 2 and one from Cohort 3) out of a total of 40 subjects randomized and dosed with TJ101. With respect to the Genotropin cohort, the presence of treatment-emergent ADA with neutralizing property was not observed in any subject.

Clinical Efficacy. Subcutaneous administration of TJ101 over the dose range of 0.8 mg/kg/week–2.4 mg/kg/twice monthly resulted in an increase in aHV over the six-month study period. Subjects who received TJ101 at 0.8 mg/kg weekly, 1.2 mg/kg weekly, and 2.4 mg/kg twice monthly showed growth rates of 11.50, 11.54, and 11.86 cm/year, respectively, while the growth rate in the control group treated with Genotropin was approximately 11.24 cm/year.

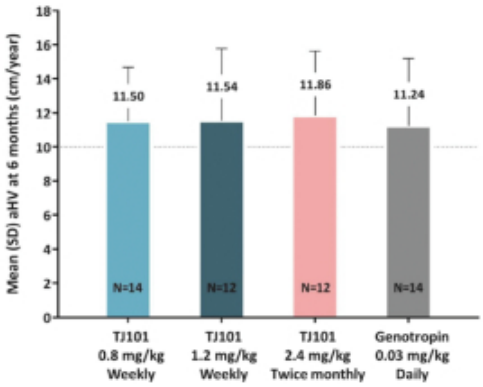


Figure: *The aHV at six months indicated comparable growth rates between all doses of TJ101 (both weekly and twice-monthly treatment) and the active comparator, Genotropin. (Source: Genexine)*

Pharmacodynamics. The growth-promoting effect of TJ101 was accompanied by elevated serum IGF-1 levels. This hormone is an important biomarker, which mediates growth hormone's biological effects. The Standard Deviation Score ("SDS"), which is a calculated score with reference to the normal age- and sex-matched IGF-1 levels, is a standardized parameter to compare IGF-1 levels across laboratories and populations. Mean IGF-1 SDS at the beginning of the study was below the lower limit of the normal range in all treatment arms. Following initiation of treatment, the IGF-1 SDS values quickly normalized by five days (Visit 2) and three weeks (Visit 3) after the initial treatment, respectively, for the TJ101 treatment arms and the Genotropin treatment arm. IGF-1 responses were maintained throughout the intended dosing interval, supporting both the weekly and twice monthly treatment regimens. IGF-1 mean peak levels were mostly within the upper limit of the physiologic range, which is considered safe in clinical practice.

Clinical Development Plan

Based on Genexine's Phase 2 study in PGHD, we are preparing to conduct a registrational Phase 3, randomized, active-controlled, and multi-center study in China to assess the efficacy, safety, and pharmacokinetics of TJ101 in PGHD. The primary objective is to demonstrate non-inferiority of 1.2 mg/kg/week of TJ101 administered SC, based on aHV after 26 weeks of treatment, compared to the active control Jintropin, a daily rhGH marketed in China. We have finalized the study design with key opinion leaders, and our development plan and study design have been discussed with the NMPA through a face-to-face pre-IND meeting. We expect to submit an IND application in the first half of 2020.

TJ301: A Potential Highly Differentiated IL-6 Blocker for Ulcerative Colitis and other Autoimmune Diseases

Summary

TJ301 (INN: olamkicept) is the only clinical stage selective interleukin-6 ("IL-6") inhibitor that works through the trans-signaling mechanism. IL-6 is an important cytokine driver in the propagation and maintenance of chronic inflammation in autoimmune diseases. Compared to the approved antibody drugs that directly block IL-6 or IL-6 receptor ("IL-6R"), TJ301 is expected to provide a novel alternative for the treatment of IL-6 mediated inflammation without affecting some of the normal physiological functions of IL-6, e.g., acute immune response against infection and metabolic regulation. TJ301 demonstrated therapeutic effects in pre-clinical animal models of autoimmune diseases, including inflammatory colitis. Moreover, the safety and tolerability profile of TJ301 was studied in three clinical trials in Germany involving 128 subjects. We believe that TJ301 has the potential to become a highly differentiated therapy to target autoimmune diseases. We acquired an exclusive license from Ferring Pharmaceuticals to develop and commercialize TJ301 in Greater China and South

Korea with an option of licensing worldwide rights. As part of our fast-to-market strategy for TJ301, we are conducting a Phase 2 clinical trial in ulcerative colitis ("UC") for the following reasons: (i) TJ301 was shown to be effective in animal models of colitis; (ii) an exploratory Phase 2a biomarker trial showed promising interim treatment effects of TJ301 in UC patients; and (iii) even though UC incidence is increasing rapidly, innovative biologic treatments for this disease are lacking in China. We expect to obtain interim data from this Phase 2 clinical trial by the second half of 2020. After clinical efficacy and differentiation are validated for UC, we plan to develop TJ301 in other inflammation indications, in which the pathogenic role of IL-6 is clinically proven by approved anti-IL-6 biologics.

Therapeutic Options and Current Development

Our current therapeutic indication for development is UC. UC and Crohn's disease ("CD") are the main types of inflammatory bowel disease ("IBD"), which cause chronic and often relapsing inflammation of the large and small intestines, respectively. Anti-inflammatory drugs, such as 5-aminosalicylic acids ("5-ASAs") and corticosteroids, are often used as initial treatment for UC. Immune system suppressors are also used to control inflammation in patients with UC, including azathioprine, mercaptopurine, and cyclosporine. Biologics that inhibit tumor necrosis factor alpha (TNF-α), including infliximab (Remicade), adalimumab (Humira), and golimumab (Simponi), are efficacious in some UC patients who fail to respond to conventional therapies. Entyvio, an integrin $\alpha_4ß_7$ antibody that blocks lymphocytes from accumulating in the intestinal wall, is the first and, to date, the only non-anti-TNF-α biologics approved for UC. In China, Remicade is currently the only biologic approved for treatment of UC.

There is a substantial unmet medical need in UC for a treatment agent(s) that is efficacious and safe through pathways beyond the traditional drug targets. The incidence of UC is increasing rapidly, but UC patients, especially those with a moderate-to-severe disease, have few treatment options, which have limited efficacy and considerable side-effects. For example, Jak1/3 kinase inhibitors can carry the risk of serious infections and malignancies. TNF-α inhibitors also have inherent side effects and do not work in all patients. According to the Frost & Sullivan Report, approximately 45% patients with autoimmune diseases are considered treatment non-responders to TNF-α drugs and less than one third the UC patients taking TNF-α drugs achieve drug free remission. Thus, as the only clinical stage selective interleukin-6 ("IL-6") inhibitor that works through the trans-signaling mechanism, we believe TJ301 has the potential to become a highly differentiated IL-6 blocker for UC, if approved.

Advantages of TJ301

The existing IL-6 or IL-6R blockers cause total inhibition of IL-6 signaling and are associated with significant adverse events in the clinic, such as infection, gastrointestinal perforation, metabolic disturbances, and insulin resistance. TJ301 is expected to provide a novel alternative as it works through a different mechanism, the trans-signaling pathway. This key advantage has been demonstrated in pre-clinical studies and three clinical trials conducted in Germany. The results indicated that TJ301 has no side effects on lipid, glucose or bone metabolism, and it has no agonistic activities that could activate receptors or trigger detrimental immune cascades. We expect that selective inhibition of IL-6 trans-signaling is an effective and safer approach to the treatment of chronic inflammation.

Mechanism of Action

TJ301 is a homodimer of a fusion protein consisting of the extracellular domains of human glycoprotein130 ("gp130") and the fragment crystallizable (Fc) domain of human IgG_1. Mimicking the function of endogenous soluble gp130, TJ301 works as a decoy by binding to a complex consisting of IL-6 and soluble IL-6 receptor ("sIL-6R"), thereby preventing TJ301 from stimulating the trans-signaling pathway in cells that do not express IL-6R. The gp130 part selectively binds the IL-6/sIL-6R complex with high affinity (Kd=130 pM), whereas the Fc part initiates dimerization and offers longer half-life for the molecule. TJ301 is not expected to affect the

beneficial effects of IL-6, such as the acute immune response against infection mediated by the classical pathway.

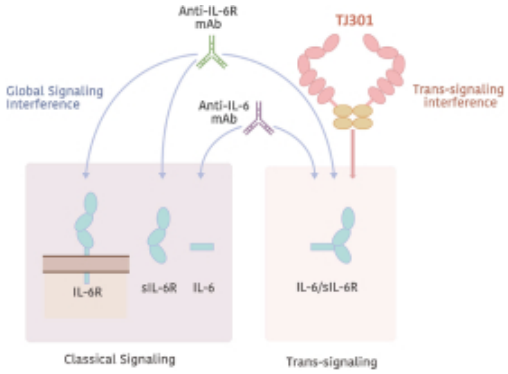


Figure: Classical signaling and trans-signaling pathways of IL-6. Anti-IL-6R and anti-IL-6 block both pathways, whereas TJ301 blocks only trans-signaling. IL-6R: IL-6 receptor; sIL-6R: Soluble IL-6 receptor.

Summary of Clinical Results

Ferring Pharmaceuticals has completed two Phase 1 trials to evaluate TJ301's preliminary safety and clinical pharmacology. TJ301 was shown to be well-tolerated based on the clinical results collected from a total of 112 subjects exposed to the drug. In addition, a Phase 2a biomarker study in active IBD (known as the FUTURE study) has been completed in Germany with promising pharmacodynamic and clinical responses observed.

Phase 1 Clinical Trial: Single Dose Ascending Trial

Study Design. The first-in-human trial of TJ301 was a single dose, placebo-controlled, single-blind, randomized within dose, and parallel group dose-escalating trial. The trial recruited both healthy subjects and patients with Crohn's Disease ("CD") in clinical remission. The primary objective was to examine the safety, tolerability and pharmacokinetics after a single dose of TJ301. Several dose levels were tested, ranging from 0.75 mg to 750 mg, with each dose level including six subjects receiving TJ301 and two receiving placebo.

Pharmacokinetics. In healthy subjects and CD patients, TJ301 showed similar terminal half-life of 4.3 to 5.1 days. The maximum concentration (C_{max}) in plasma and the area under curve ("AUC") of the plasma drug concentration-time curve were dose proportional. For SC administration of TJ301 (60 mg), the C_{max} was approximately 1.0 µg/mL at 2.3 days, and the bioavailability was approximately 48%.

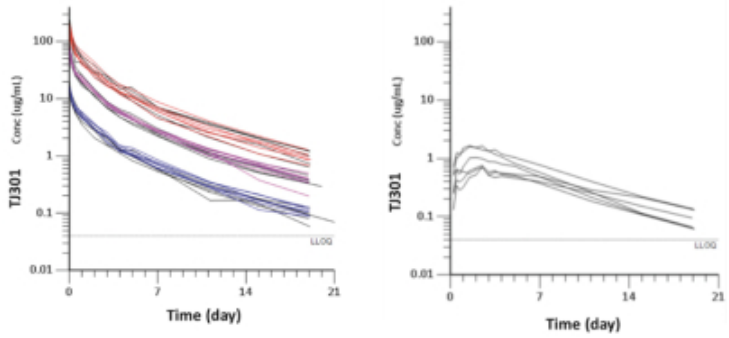


Figure: *Single dose pharmacokinetic profile of TJ301. Left, healthy subjects (colored lines) and IBD patients in remission (gray lines) received a single IV infusion at 75 mg (blue lines), 300 mg (magenta lines) or 600 mg (red lines) fixed doses. Right, healthy subjects received a single SC injection at 60 mg. LLOQ: lower limit of quantitation. (Source: Ferring Pharmaceuticals)*

Safety. TJ301 was well-tolerated when administered as a single IV dose at up to 750 mg and as a single SC dose at 60 mg. No apparent dose-related AE was observed. Infusion was discontinued in two subjects due to mild to moderate infusion-related reactions, with skin symptoms such as urticaria and swelling, which were rapidly resolved. Only one healthy subject in the 300 mg group showed non-neutralizing treatment-emergent ADAs at the follow-up visit five to six weeks after administration.

Phase 1 Clinical Trial: Multiple Dose Ascending Trial

Study Design. This trial was a placebo-controlled, double-blind, and randomized dose-escalating trial in healthy subjects. A total of 24 healthy subjects were randomized into three dose groups and received four weekly infusions of TJ301 at 75 mg, 300 mg or 600 mg.

Pharmacokinetics. PK characteristics were similar on the first and last treatment days of the multiple dose-ascending trial and were similar to results in the single dose-ascending study.

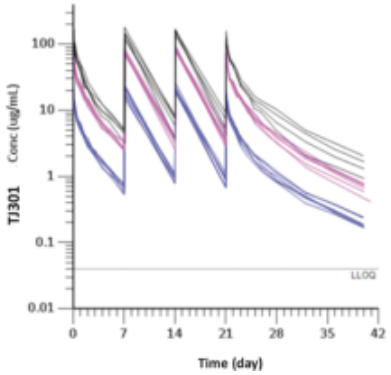


Figure: *Multiple dose pharmacokinetic profile of TJ301. Healthy subjects received weekly IV infusions at 75 mg (blue lines), 300 mg (magenta lines) or 600 mg (gray lines) fixed doses. LLOQ, lower limit of quantitation. (Source: Ferring Pharmaceuticals)*

Safety. There were only a few mild or moderate AEs reported across all treatment groups. One subject from the 600 mg group withdrew due to mild infusion-related reactions with urticaria and pruritus 30 minutes after

administrating the first dose. No apparent dose-related trends or treatment-related change in vital signs, electrocardiogram or clinical chemistry parameters were observed. No ADAs were reported by any subject. Overall, TJ301 was well-tolerated when administered by IV at up to 600 mg once weekly for four weeks.

Overall Summary of Treatment-Emergent Adverse Events

	75 mg (N = 6)	300 mg (N = 6)	600 mg (N = 6)	Placebo (N = 6)	Total Active (N = 18)
	n (%) E	n (%) E	n (%) E	n (%) E	n (%) E
Any TEAE(1)	6 (100) 13	2 (33) 5	4 (67) 6	6 (100) 14	12 (67) 24
Serious TEAEs	0	0	0	0	0
Adverse Drug Reactions(1)	6 (100) 11	2 (33) 2	3 (50) 5	4 (67) 6	11 (61) 18
TEAEs Leading to Withdrawal	0	0	1 (17) 1	0	1 (6) 1
Deaths	0	0	0	0	0

Source: Ferring Pharmaceuticals
Note:
(1) Reasonably possibly related to treatment; N: number of subjects exposed; n: number of subjects with AE; %: n/N*100; E: number of AEs

Phase 2a Biomarker Study in Active IBD (FUTURE Study)

Study Design. This was an open-label exploratory study to assess the mechanisms of molecular activity (effects on biomarkers), safety and tolerability of TJ301 in adult patients with active IBD. Nine UC patients and seven CD patients were dosed with TJ301 (600 mg, IV, q2w) for up to 12 weeks followed by 42 days of safety follow-up. Patients enrolled had moderately to severe active UC or ileocolonic CD with median disease duration of 5.3 (UC) and 6.9 (CD) years and with immunologically active inflammation (C-reactive protein >5 mg/l), who had failed conventional therapies and had no prior biologics treatment.

The primary endpoint was the proportion of patients with reduced mucosal expression of a predefined set of inflammation-relevant genes (TNFA, IL1A, REG1A, IL8, IL1B and LILRA) as a composite score. Objective assessments included centrally read endoscopies, histology readings, and various explorative molecular parameters and inflammatory biomarkers. The trial was sponsored and conducted by the University Hospital Schleswig Holstein and Paul-Ehrlich Institute (EUDRA-CT 2016-000205-36), with financial and material support from Ferring Pharmaceuticals. The study has been completed, and the abstract of the results is expected to be presented at the United European Gastroenterology Week meeting in late 2019.

Safety. TJ301 was well-tolerated. Reported AEs were unspecific in nature and showed no signs of immune suppression. Five SAEs were observed, none of which were life-threatening or deemed to be related to TJ301.

Pharmacokinetics. After single and repeated IV administration of TJ301 (600 mg, Q2W) to patients with UC and CD, similar serum exposure was observed after the first and last dosing events, with respect to Cmax and total exposure over 14 days. Maximal serum drug concentration after each dosing was reached at the end of infusion. The mean terminal half-life of TJ301 after the last administration was approximately 5.1 days. Circulating biological activity of TJ301 was confirmed by whole-blood STAT3 phosphorylation assays in all patients. A minimal and transient ADA production was observed in three patients. ADAs were only detected at week 12 and week 15, but no longer detectable at week 18.

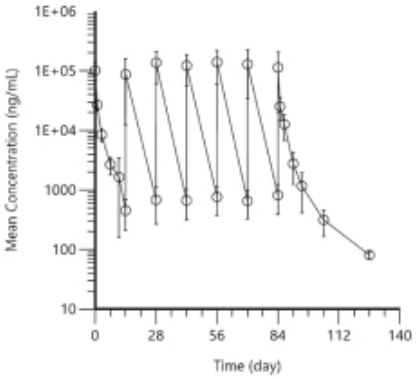


Figure: Time course of the mean serum concentration of TJ301.

Pharmacodynamics. In the assessment of the primary endpoint, it was observed that clinical remission was associated with a significant reduction of IL-1B, IL-8 and REG1A gene expression in the intestinal mucosa. Pathway analysis of blood transcriptome signatures showed an early molecular anti-inflammatory signature as early as four hours after treatment in all patients, irrespective of treatment outcome, which indicated a thorough inhibitory effect of IL-6 trans-signaling blockade on inflammatory pathways.

Clinical Efficacy. A preliminary clinical response was observed in both UC and CD patients, which appeared to be stronger in patients with UC than those with CD. Overall, 55% of UC patients (5/9) responded to TJ301, with 22% (2/9) reaching clinical remission, whereas 29% of CD patients (2/7) responded to TJ301, with 14% (1/7) reaching clinical remission. All three patients in clinical remission showed a fast and thorough induction of clinical, endoscopic, and immunologic remission within the first four weeks.

Clinical Development Plan

We are positioning TJ301 as a differentiated IL-6 blocker for a number of autoimmune diseases. The first target indication is active stage UC that is not well-controlled by conventional therapies such as mesalazine. With a goal of developing TJ301 as a second-line therapy for mild UC and first-line therapy for moderate-to-severe UC, we have initiated a multi-regional Phase 2 clinical trial in Taiwan, South Korea, and China to assess the pharmacokinetics, safety, and efficacy of TJ301 in patients with active UC (NCT03235752). This is a randomized, double-blind, and placebo-controlled clinical trial with three treatment arms. We plan to enroll 90 patients. A total of 30 patients have been dosed. We expect to obtain interim data from this Phase 2 clinical trial by the second half of 2020. Besides UC, we are evaluating the possibility of extending TJ301 to other autoimmune conditions where there is significant unmet medical need in China. We expect to initiate a second clinical trial for chronic inflammatory disorders, such as neuromyelitis optica, systemic sclerosis, Castleman's disease, and system vasculitis, in which IL-6 is implicated as a key pathogenic cytokine.

Enoblituzumab: A Potential First-in-Class B7-H3 Antibody as an Immuno-oncology Treatment

Summary

Enoblituzumab is a humanized antibody directed at B7-H3, a member of the B7 family of T cell checkpoint regulators. B7-H3 is a promising immuno-oncology drug target as it is widely expressed across multiple tumor types and plays a key role in regulating immune response against cancers. Increasing pre-clinical and clinical evidence suggests that antibodies targeting the two T cell checkpoint molecules—B7-H3 and PD-1—work synergistically in treating cancer. Given B7-H3's critical role, enoblituzumab has a wide range of cancer applications as either a monotherapy or in combination with PD-1 therapies. At the molecular level,

enoblituzumab is engineered to possess an enhanced anti-tumor ADCC function and is at the forefront in global clinical development. Originally developed by MacroGenics, enoblituzumab has been evaluated in multiple clinical trials as a monotherapy or in combination with CTLA-4 or PD-1 therapies in patients with B7-H3-expressing cancers. Enoblituzumab is also being evaluated in a neoadjuvant Phase 2 study as a single agent in patients with intermediate and high-risk localized prostate cancer. The clinical studies so far have shown that enoblituzumab is well-tolerated, and it increased CD8 T cell infiltration in tumors with more focused T cell repertoires in patients treated with enoblituzumab as a monotherapy. Recent clinical studies conducted by MacroGenics indicate that combination therapy with enoblituzumab and pembrolizumab correlates with preliminary anti-tumor effects in recurrent or metastatic squamous cell carcinoma of the head and neck ("SCCHN") and non-small cell lung cancer ("NSCLC"). We recently acquired the development and commercial rights of enoblituzumab from MacroGenics for Greater China. Our initial clinical development plan includes a registrational trial (if approved by the NMPA) in patients with recurrent or metastatic SCCHN in China by the end of 2020. As more clinical and pre-clinical data become available, further clinical trials will be planned together with MacroGenics to extend enoblituzumab to other cancer indications in China and globally.

Therapeutic Options and Current Development

Our initial therapeutic indication is head and neck cancer. Head and neck cancers occur in various parts of the head and neck, including the mouth, nose, throat and salivary glands. More than 90% of head and neck cancers are classified as SCCHN, which begin in the squamous cells that line the moist, mucosal surfaces inside the head and neck. The treatment principles and regimens for head and neck cancer in China are similar to those in the rest of the world. Treatment strategies often depend on the location and stage of the cancer, the patient's physical status, and response to prior treatments. Early-stage disease is primarily treated with surgical resection, while patients with locally advanced, recurrent or metastatic disease are typically treated with drug therapy. The combination of surgery and drug therapy, with or without radiation therapy, is the current standard of care for Stage 3 SCCHN patients with locally advanced disease. Platinum-based chemotherapy regimens are widely used as first-line therapies for Stage 4 and distant relapse patients. Erbitux (cetuximab from Eli Lilly and Merck KGaA) was approved in 2006 as a first-line treatment of locally advanced SCCHN in combination with radiation therapy. Regimens containing Erbitux, platinum-based chemotherapy, and 5-fluorouracil, known as EXTREME, are often considered as the standard of care for first-line treatment of distant relapse SCCHN. However, only about 35% of patients respond to EXTREME, and the resulting overall median survival is only 10.1 months. Furthermore, about half of the patients on first-line therapies need later-line therapies.

In addition, even second-line therapy is highly varied, including single-agent docetaxel or paclitaxel, Erbitux monotherapy, and Erbitux and pacitaxel combination therapy. In 2016, PD-1 inhibitors were approved globally as second-line therapies. Recently, Keytruda (pembrolizumab from Merck & Co), used as a single agent or in combination with chemotherapy, was approved by the FDA as first-line therapy for patients with metastatic or unresectable recurrent SCCHN. The average ORR for second-line therapies has been less than 15%.

As such, we believe that SCCHN patients, especially those with late stage or relapsed disease, need more efficacious treatments with fewer side effects, which represents a significant unmet medical need for immunotherapy and targeted therapy.

Advantages of Enoblituzumab

Enoblituzumab is a potentially first-in-class investigational drug. The foregoing statement applies only to conventional therapeutic B7-H3 antibodies and does not include radio-labeled B7-H3 antibodies in development by Y-mabs Therapeutics. Targeting B7-H3 offers several advantages over other target options within the class of T cell checkpoint molecules. First, B7-H3 is a tumor-associated antigen that is over-expressed in a variety of solid tumors while its expression in normal tissues is rather limited, enabling the tumor killing mechanism of enoblituzumab. Second, B7-H3 is a unique checkpoint whose expression in tumors is associated with disease prognosis. For example, biomarker analysis of more than 400 NSCLC patients revealed that among all the

elevated immune checkpoint inhibitors, including PD-1/PD-L1, PD-L2, B7-H3, TIM-3, BTLA and CTLA4, only B7-H3 is negatively correlated with clinical efficacies of neoadjuvant treatments (Lou et al., Clinical Cancer Research, 2016). Furthermore, recent studies have shown that when combined with a PD-1 antibody, a blockade of B7-H3 results in superior treatment effects in relevant cancer animal models while another study indicates that B7-H3 expression correlates with a lack of anti-PD-1 response (Yonesaka et al., Clinical Cancer Research, 2018). The advantages summarized above make B7-H3 a favorable tumor target for immuno-therapeutic intervention.

Mechanism of Action

Enoblituzumab (MGA271) is an investigational humanized immunoglobulin (IgG1/kappa monoclonal antibody) that binds to B7 homolog 3 (B7-H3). This antibody consists of an engineered human IgG1 fragment crystallizable (Fc) domain that imparts increased affinity for the human activating Fc gamma receptor (FcgR) IIIA (CD16A) and decreased affinity for the human inhibitory FcgRIIB (CD32B). The engineered Fc domain confers enoblituzumab with enhanced target-specific antibody-dependent cellular cytotoxicity ("ADCC") in vitro and anti-tumor activity in preclinical studies. Therefore, enhanced cytolysis of B7-H3-expressing tumor cells is a mechanism that supports the development of this molecule as an antineoplastic agent.

In addition, data suggest that enoblituzumab impacts T-cell homeostasis in vivo. Cancer patients display a more narrowly focused T-cell repertoire following enoblituzumab treatment compared to their baseline repertoire distribution. Moreover, enhanced local T-cell infiltration has been observed in prostate cancer patients treated with enoblituzumab.

These data are consistent with the notion that enoblituzumab is capable of engaging both innate and adaptive immunity as mediators of its anti-tumor activity.

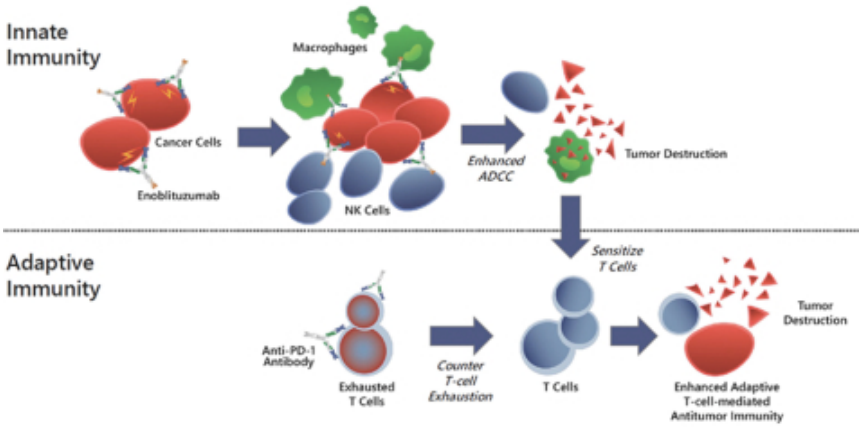


Figure: *Enoblituzumab contributes to the coordination and engagement of innate and adaptive immunity to mediate tumor regression. Enoblituzumab binds to tumor cells, activates innate immune cells such as natural killer cells (NK cells) to kill cancer cells through ADCC. The released tumor antigens may then be presented by antigen-presenting cells, such as macrophages, which, in concert with PD-1 blockade, can promote tumor-specific T-cell immunity. (Source: MacroGenics)*

Summary of Clinical Results

Phase 1 Study of Enoblituzumab Monotherapy

Study Design. This was an open-label, multi-dose, single-arm, multi-center, and dose-escalation study to define safety, tolerability, maximum tolerated dose ("MTD"), PK, immunogenicity, and potential anti-tumor

activity of enoblituzumab in patients with refractory cancers that express B7-H3 conducted by MacroGenics. In the dose escalation segment of the study, six doses (0.15–15 mg/kg QW) were evaluated in a conventional “3+3” design.

No MTD or dose-limiting toxicity (“DLT”) was observed in the dose escalation phase, so the highest administered dose, 15 mg/kg, was used in the cohort expansion, in which patients received weekly infusions of enoblituzumab in eight-week cycles for up to 12 cycles. Tumor evaluation was carried out by both Response Evaluation Criteria in Solid Tumors (“RECIST”) and immune-related response criteria (“irRC”) with an initial response assessment after eight weeks. This entailed seven tumor-specific cohorts, including melanoma (post-checkpoint inhibitor failure, n=31), head and neck cancer (n=19), prostate cancer (n=34), triple-negative breast cancer (n=17), renal cell carcinoma (n=16), NSCLC (n=8), and bladder cancer (n=12).

Safety. Interim data analysis as of the data cut-off date of April 13, 2017, indicates that enoblituzumab is well-tolerated. Treatment-related AEs (per investigator assessment) were experienced by 134 out of 170 (78.8%) patients, most of which were infusion-related reactions (n=62, 36.5%), fatigue (n=54, 31.8%), nausea (n=32, 18.8%), and chills (n=24, 14.1%). Only three out of 179 patients (1.7%) had a treatment-related discontinuation, and 13 (7.3%) patients experienced treatment-related Grade 3 or higher AEs (fatigue, infusion-related reactions, and nausea), assessed based on Common Terminology Criteria for Adverse Events (CTCAE) criteria version 4.0. Mild to moderate infusion-related reactions were managed with low dose steroids or a decrease of the infusion rate. No severe immune-mediated toxicity was observed.

Pharmacokinetics. Preliminary analysis and population PK modeling based on 18 patients dosed at 15 mg/kg indicate that PK of enoblituzumab was characterized primarily by target-mediated drug disposition and was consistent with a typical human IgG1 with near-linear PK.

Efficacy. Evidence of decreased size of target and non-target lesions as well as extended time to progression were observed across a broad range of tumors, including heavily pretreated cancers. Three patients achieved PR (partial responses) by RECIST out of a total of approximately 71 patients being evaluated.

Phase 1 Study of Enoblituzumab in Combination with Pembrolizumab

Study Design. This is an open-label, dose escalation, cohort expansion, and efficacy follow-up study of enoblituzumab in combination with pembrolizumab conducted by MacroGenics. The dose escalation phase is designed to characterize the safety and tolerability of the combination and to define the maximum tolerated or maximum administered dose. Three dose levels of enoblituzumab (3, 10, 15 mg/kg, IV, QW) have been evaluated in combination with pembrolizumab (2 mg/kg, IV, Q3W). No MTD has been identified, and so the maximum administered dose of enoblituzumab (15 mg/kg) in combination with pembrolizumab was given to additional cohorts of patients enrolled during the cohort expansion phase. The efficacy follow-up period consists of the two-year period after administering the final dose of the study drug. All tumor evaluations are carried out by both RECIST and irRC.

A total of 133 patients with B7-H3-expressing melanoma, squamous cell carcinoma of the head and neck (SCCHN), non-small cell lung cancer (“NSCLC”), and urothelial cancer have been treated in the study. The interim results as of the data cut-off date, October 12, 2018, were presented at the 2018 Annual Meeting of the Society for Immunotherapy of Cancer (SITC), which showed an ORR (overall response rate) that compared favorably with historical experience with anti-PD-1 monotherapy in anti-PD-1/PD-L1 naive patients.

Safety. The combination of enoblituzumab and pembrolizumab demonstrated acceptable tolerability in patients treated to date. Grade 3 or higher AEs, assessed based on Common Terminology Criteria for Adverse Events (CTCAE) criteria version 4.0, occurred in 27.1% of all patients. Drug-related AEs of all grades included infusion-related reactions (n=73, 54.9%), fatigue (n=37, 27.8%), rash (n=14, 10.5%), and nausea (n=12, 9.0%). The incidence of immune-related AEs in the study was comparable to that observed in patients who received anti

PD-1 monotherapy. Nine patients experienced drug-related AEs leading to treatment discontinuation. Drug-related AEs and immune-related AEs of special interest are summarized in the table below.

Drug-Related and Immune-Related Adverse Events
During Combination Treatment with Enoblituzumab and Pembrolizumab

	No. (%) of Patients	
Drug-Related AEs (≥5% of Patients)	**All Grades Total (N=133)**	**≥ Grade 3 (N=133)**
Any adverse event	115 (86.5)	36 (27.1)
Infusion-related reaction	73 (54.9)	9 (6.8)
Fatigue	37 (27.8)	2 (1.5)
Rash	14 (10.5)	1 (0.8)
Nausea	12 (9.0)	0
Pyrexia	12 (9.0)	0
Lipase increased	11 (8.3)	8 (6.0)
Arthralgia	10 (7.5)	0
Decreased appetite	9 (6.8)	2 (1.5)
Diarrhea	9 (6.8)	1 (0.8)
Hypothyroidism	8 (6.0)	0
Anemia	7 (5.3)	1 (0.8)
Pneumonitis	7 (5.3)	2 (1.5)
Chills	7 (5.3)	0

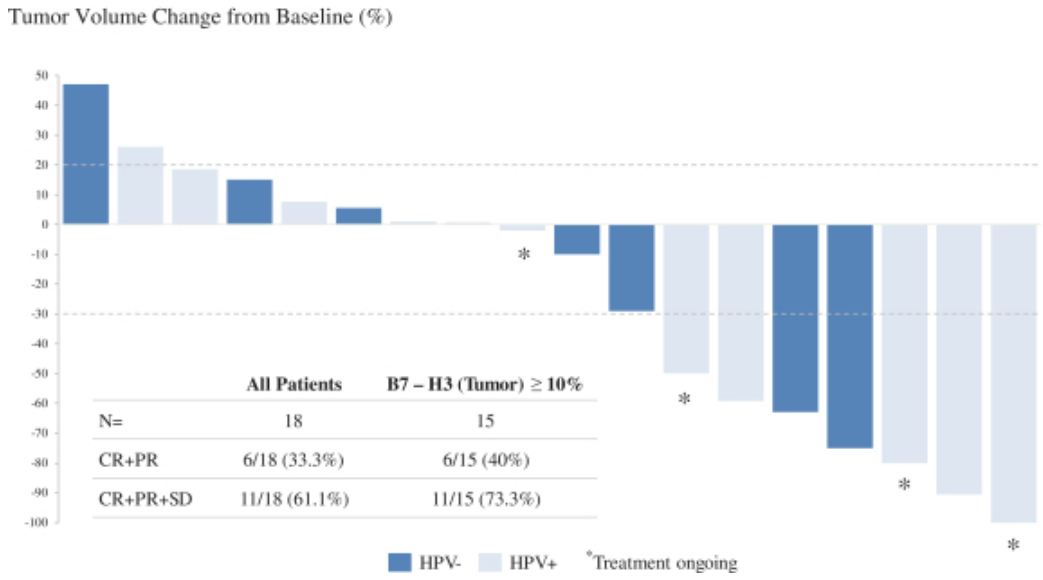
	No. (%) of Patients	
Immune-Related Adverse Events of Special Interest (AESI)	**All Grades Total (N=133)**	**≥ Grade 3 (N=133)**
Pneumonitis	5 (3.8)	2 (1.5)
Myocarditis	2 (1.5)	1 (0.8)
Diarrhea	1 (0.8)	1 (0.8)
Adrenal insufficiency	1 (0.8)	1 (0.8)
Colitis	1 (0.8)	0

- Drug-related AEs:
  - Leading to treatment discontinuation: 6.8% (9 patients)
  - Leading to death: 0.8% (1 patient with pneumonitis)
- Nature of events consistent with enoblituzumab or pembrolizumab alone

Source: MacroGenics.

Clinical Efficacy. As of October 12, 2018, the cut-off date of the most recent data analysis, preliminary results indicated that among the 18 response-evaluable SCCHN patients who had not previously received PD-1/PD-L1 therapies, six patients (33.3%) had confirmed partial responses (“PRs”). Among the subset of patients with 10% or higher B7-H3 tumor expression, six out of 15 (40.0%) had confirmed PRs (see figure below) compared to previously reported SCCHN patients treated with PD-1 monotherapy, which achieved ORRs ranging from 13% to 16%.

Anti-tumor Activity in Anti-PD-1/PD-L1-Naive SCCHN Patients

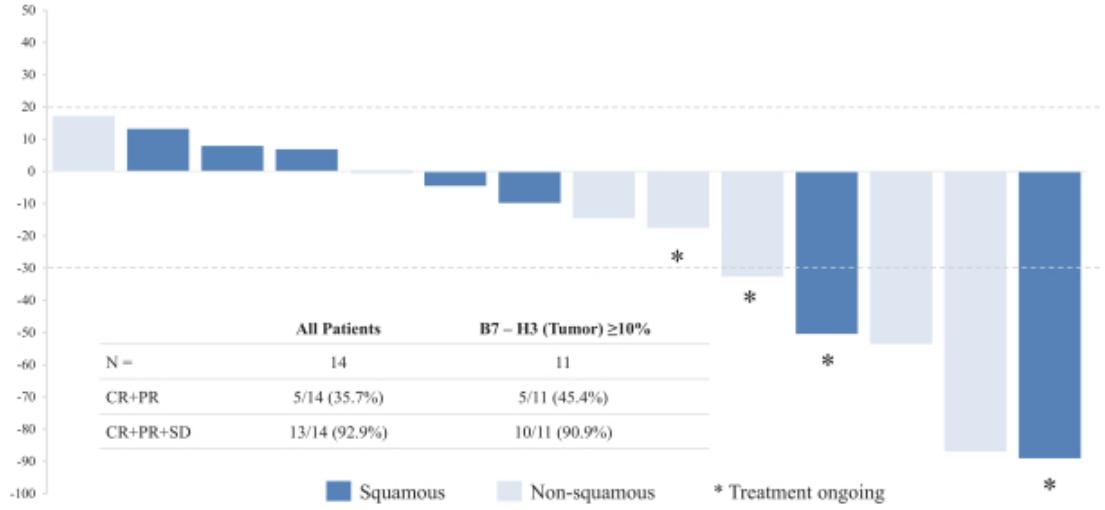


Source: MacroGenics

Among 14 response-evaluable NSCLC patients who had not previously received PD-1/PD-L1 therapies and were PD-L1 negative, i.e., PD-L1 less or equal to 1%, five patients (35.7%) had confirmed PRs (see figure below). Objective response rates ranging from 8% to 17% were reported in PD-L1 negative NSCLC patients treated with PD-1 monotherapy.

Anti-tumor Activity in PD-1-Naive NSCLC Patients Who are PD-L1 Negative (PD-L1 < 1%)

Tumor Volume Change from Baseline (%)



Source: MacroGenics

In the two figures above, CR (complete response) means the disappearance of all target lesions, with the reduction of all pathological lymph nodes to <10 mm; PR (partial response) means at least a 30% decrease in the sum of the target lesions, in comparison to the baseline sum diameter; PD (progressive disease) means a 20% increase in the sum of the diameters in comparison to the smallest sum of diameters with an absolute increase of at least 5 mm, provided that any new lesion is considered progressive disease; and SD (stable disease) means meeting neither the criteria for partial response nor for progressive disease, in comparison to the smallest sum of diameters.

Clinical Development Plan

We plan to develop enoblituzumab as a second-line combination therapy with a PD-1 antibody in a registrational clinical trial (pending regulatory approval by the NMPA) or a Phase 2 trial in patients with recurrent or metastatic SCCHN by the end of 2020. The primary efficacy endpoint of this study will be objective response rate (ORR) performed by central review. In addition, we are planning to explore enoblituzumab development in a variety of B7-H3 expressing solid tumors. MacroGenics plans to combine enoblituzumab and a PD-1 antibody with and without chemotherapy in a two-part Phase 2 study for first-line treatment of patients with recurrent or metastatic SCCHN not curable by localized therapy.

Global Portfolio

TJM2: A GM-CSF Monoclonal Antibody for Rheumatoid Arthritis and CAR-T-related Therapies

Summary

TJM2 is an internally discovered neutralizing antibody against human granulocyte-macrophage colony-stimulating factor (“GM-CSF”), an important cytokine that plays a critical role in chronic inflammation and destruction in autoimmune diseases such as rheumatoid arthritis (“RA”). TJM2 is expected to be the first clinical stage GM-CSF monoclonal antibody in China. TJM2 is a humanized IgG1 that displays high affinity binding to

GM-CSF and blocks its signaling and downstream effects. TJM2 is being developed for the treatment of autoimmune and inflammatory diseases, including RA, cytokine release syndrome ("CRS") and neuroinflammation from CAR-T therapy. We have begun a first-in-human single dose study in healthy volunteers in the United States. We filed an IND application with the NMPA in August 2019 for a multiple-dose Phase 1b study in Chinese patients with RA and may expand to other autoimmune and inflammatory indications with high unmet medical need, where GM-CSF is known as a pathogenic cytokine in disease activity and progression. TJM2 is expected to be the first compound of its class to enter clinical trial in China in early 2020. If approved, it is expected to provide an effective treatment option as a disease-modifying anti-rheumatic drug ("DMARD") therapy.

Therapeutic Options and Current Development

Our current therapeutic indication is RA, a systemic chronic inflammatory disease considered to be one of the most prevalent immune-mediated inflammatory diseases. RA is nearly always polyarticular and causes joint destruction, deformity, and loss of function. Extra-articular manifestations include cardiopulmonary diseases, eye diseases, Sjogren's syndrome, rheumatoid vasculitis and neurological diseases. Current therapies for RA in China include traditional Chinese medicine, corticosteroids, and DMARDs, including immunosuppressants and targeted therapies such as TNF inhibitors. Although the market for RA has become more competitive in China, new medicines targeting different pathways with greater clinical efficacy and safety remain a significant unmet need. Our GM-CSF antibody targets an entirely different disease pathway and has these desired characteristics to treat RA.

Clinical evidence supporting the role of a GM-CSF antibody in RA is highlighted in a few recent global studies. For example, both otilimab (MOR103), a GM-CSF antibody from MorphoSys and GSK, and mavrilimumab, a GM-CSF receptor antibody from Medimmune, have shown an early onset of clinical responses in Phase 2 proof-of-concept trials with RA patients. In addition to RA, attempts to develop a GM-CSF antibody for treating other autoimmune diseases, such as ankylosing spondylitis, are being studied by Amgen and Takeda. These autoimmune conditions involve the same autoimmune cell types, including macrophages, and neutrophils and the same connective tissues such as bones, joints, and tendons. Given the large patient population affected and the burden of these diseases, we are keen to explore the therapeutic role of TJM2 in treating these diseases, if initial studies in RA patients meet primary end-points.

The therapeutic role of TJM2 goes beyond autoimmune diseases. A recent study indicates that GM-CSF plays a critical role in serious side effects associated with chimeric antigen receptor (CAR)-T therapy, such as cytokine release syndrome ("CRS") and neurotoxicity. As CAR-T therapy has become an effective treatment option for certain cancer types, finding a treatment solution for CAR-T-related toxicities that occur frequently and can turn into a serious and potentially fatal condition becomes an urgent need. These severe toxicities add to the morbidity and mortality of CAR-T therapy. CRS is caused by a massive release of circulating cytokines by expanding CAR-T cells, and GM-CSF is one of the key cytokines of CRS. Currently, there are no effective therapies to prevent CRS or neurotoxicity. Tocilizumab, an IL-6 receptor antagonist, is approved for severe CRS with limited therapeutic coverage. Recent studies indicate that neutralizing GM-CSF *in vivo* may ameliorate and potentially prevent CRS and neuroinflammation without affecting CAR-T cell activity. Humanigen recently teamed up with Kite to evaluate lenzilumab, a GM-CSF antibody, as a preventive or treatment agent in association with Yescarta, an approved CD19-directed CAR-T therapy. In parallel with an RA clinical trial, we are seeking opportunities to co-develop TJM2 as a treatment option for CRS associated with CAR-T therapy.

Advantages of TJM2

Based on reported clinical findings with front-runner GM-CSF antibodies compared to other RA biologics that are clinically used, we have the following expectations:

- *Fast onset of therapeutic effect*. Because GM-CSF acts at a relatively early stage in the inflammatory cascade, GM-CSF blockade is expected to take effect after just a few initial doses and provide quick

symptomatic relief to patients. This fast onset of clinical responses in RA has been shown in Phase 2 clinical trials on otilimab and mavrilimumab (NCT01023256 and NCT01050998);

- *Convenience and increased patient compliance*. Given the favorable development profile (high affinity, excellent PK, clean immunogenicity and concentrated formulation) exhibited by TJM2 thus far, the clinically active dose for TJM2 is expected to be low, which is advantageous for chronic maintenance of the disease by subcutaneous administration. This provides convenience to the patients and will likely increase patient compliance; and
- *Analgesic effect on inflammatory pain*. Because the GM-CSF receptor is also expressed on sensory neurons and is involved in RA-associated inflammatory pain, GM-CSF blockade is expected to provide relief for inflammatory pain, which provides additional clinical benefits to patients. This analgesic effect has been shown in a Phase 2 clinical trial on mavrilimumab (NCT01706926).

Mechanism of Action

GM-CSF is a central driver cytokine in orchestrating an innate immune response during inflammation. It is responsible for myeloid cell proliferation and functions, such as chemotaxis, adhesion, phagocytosis, and microbial killing. Importantly, GM-CSF can polarize macrophages into a pro-inflammatory M1 phenotype and is known to induce an inflammatory cascade involving other pro-inflammatory cytokines such as TNF, IL-1, IL-6, IL-12, and IL-23. It is evident that GM-CSF plays a crucial role in the pathogenesis and disease progression of multiple autoimmune conditions. The action of GM-CSF is mediated by binding of its cognate receptor on target cells and subsequent phosphorylation of signal transducer and activator of transcription 5 (“STAT5”).

TJM2 specifically binds to human GM-CSF with high affinity and can block GM-CSF from binding to its receptor, thereby preventing downstream signaling and target cell activation. As a result, it can effectively inhibit inflammatory responses mediated by macrophages, neutrophils, and dendritic cells, leading to reduced tissue inflammation and damage.

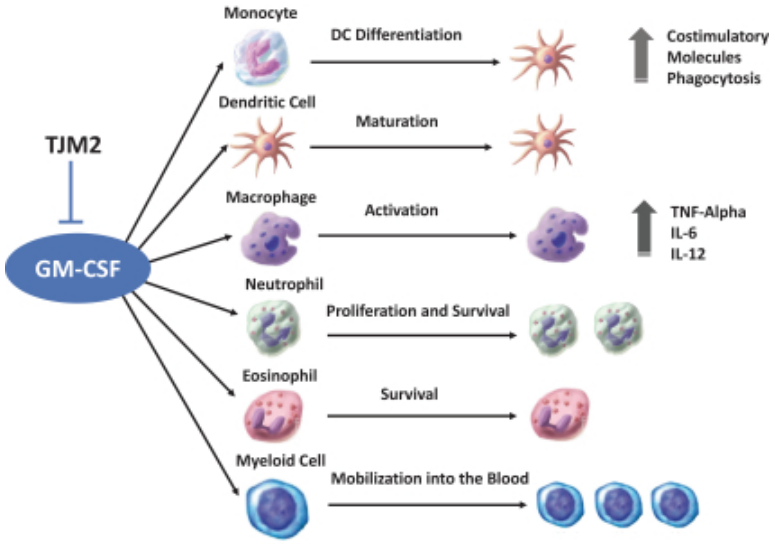


Figure: Roleof GM-CSF in orchestrating coordinated immune response.

Summary of Pre-clinical Results

A series of nonclinical studies have been conducted to evaluate the pharmacology, PK, and toxicology profiles of TJM2. The completed pharmacology studies included evaluation of the binding affinity and

specificity to GM-CSF, species cross-reactivity, blockade of GM-CSF/GM-CSFR interaction, inhibition on phosphorylation of STAT5 in peripheral blood mononuclear cells ("PBMCs") from human or cynomolgus monkeys, and *in vivo* activity in monkey RA models. The PK profile of TJM2 in cynomolgus monkeys was characterized following a single IV injection and a single SC injection. Toxicokinetics ("TK") was studied in conjunction with a GLP-compliant multilevel (0, 20, 60, 200 mg/kg) and four-week repeat-dose general toxicology study in cynomolgus monkeys. The no observed adverse effect level ("NOAEL"), which is the highest dosage level at which chronic exposure to the substance shows no adverse effects, was considered to be 60 mg/kg. The nonclinical studies performed to date have demonstrated an acceptable pharmacological profile to allow TJM2 to progress to clinical studies in healthy volunteers.

In Vitro Pharmacodynamics

TJM2 specifically binds to GM-CSF at sub-nanomolar affinity. TJM2 cross-reacts with monkey GM-CSF but not rat or murine GM-CSF. TJM2 inhibited GM-CSF-dependent proliferation of a human erythroleukemic cell line and GM-CSF-induced STAT5 phosphorylation in human PBMCs in a concentration-dependent manner. TJM2 demonstrated no hemolytic potential at a concentration of 105.5 mg/mL when incubated with rabbit blood cells.

Pharmacokinetics in Cynomolgus Monkeys

The systemic exposure in monkeys after a single IV injection of TJM2 appeared to increase proportionally with doses from 5, 25 to 50 mg/kg. The mean half-life was 217–241 hours, the mean maximum observed concentration (C_{max}) were 112–1220 µg/mL, and the mean exposure ($AUC_{0\text{-last}}$) were 14800–124000 µg*h/mL in the dose range of 5–50 mg/kg. TJM2 also exhibited linear PK behavior in terms of C_{max} (50.2–504 µg/mL) and AUC following a single subcutaneous ("SC") injection at 5, 25 to 50 mg/kg, with the mean $T_{1/2}$ being 215–242 hours and the mean bioavailability ranging from 73 to 79%. No apparent sex difference was observed in main PK parameters. The elimination rate of TJM2 was independent of the dose route. ADAs were of low titers and detected only in one animal on two occasions, namely, before dosing and on Day 42 post-IV dose, which did not affect the PK profile. ADA was clean for the SC administration. These results indicate that TJM2 is not a strong immunogen to cynomolgus monkeys.

In Vivo Pharmacodynamics in Cynomolgus Monkeys

Type II collagen-induced arthritis ("CIA") is a recognized animal model for RA, and drugs approved for RA have shown efficacy in this model. TJM2 was tested in a monkey CIA model. The animals were immunized with type II collagen to induce the disease. Once the animals exhibited signs of disease (joint swelling), weekly injections of vehicle control or 40 mg/kg TJM2 for four weeks were initiated. TJM2 significantly decreased the severity of CIA as measured by the arthritis score over the entire treatment period (see figure below) and inhibited STAT5 phosphorylation in monkey PBMCs 24 hours after treatment. In the second dose response experiment, TJM2 was found to reduce STAT5 phosphorylation in PBMCs from CIA monkeys obtained 24 hours after treatment across different dosing levels.

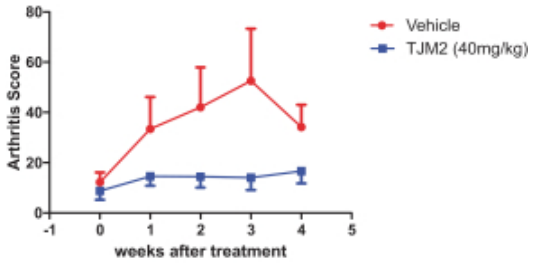


Figure: Weekly treatment with 40 mg/kg of TJM2 reduced disease severity (arthritis score) in a monkey CIA model.

Repeat-Dose Toxicology Study in Cynomolgus Monkeys

A GLP-compliant four-week repeat-dose toxicology study with a 30-day recovery was conducted in cynomolgus monkeys to evaluate the potential toxicity of TJM2. Forty cynomolgus monkeys were randomly assigned into four groups (5/sex/group) and were given five weekly doses of TJM2 at 20, 60 or 200 mg/kg via IV injection. Following the fourth dose, TK parameters, including time of maximum concentration (T_{max}), C_{max}, AUC_{0-t}, and clearance (CL), were similar to those following the first dose. No apparent sex difference was observed. All samples were detected as ADA-negative throughout the study period.

No TJM2-related death or moribund sacrifices occurred in this study. Pulmonary granulomas were observed in one male animal given 200 mg/kg dose, in which TJM2-relation could not be completely excluded. Minimal congestion and alveolar protein were observed in one male animal given 20 mg/kg dose during the recovery period, which had uncertain relation to TJM2 effect and was not considered adverse due to the lack of impact on respiratory functions and their absence in animals given higher doses of TJM2 or terminal sacrificed animals. Other than the above observations, TJM2 did not exhibit apparent impact on other study endpoints, including safety pharmacology parameters, immunotoxicity, especially cytokine production, or local effect on the injection sites.

Based on the study results, the NOAEL was considered to be 60 mg/kg. The corresponding mean C_{max} and AUC_{0-t} following the fourth dose were 2010 μg/mL and 117000 μg*h/mL for males, respectively, and 1930 μg/mL and 119000 μg*h/mL for females, respectively.

Clinical Development Plan

Based on these pre-clinical results, we have initiated a first-in-human study in healthy volunteers in the United States. This randomized, double-blind, placebo-controlled, and single dose-ascending study (NCT03794180) is designed to assess the safety, tolerability, PK/PD, and immunogenicity of TJM2 (referred to as TJ003234) IV infusion. We have enrolled and completed dosing of four planned cohorts, with each cohort consisting of eight subjects. Data from this clinical trial facilitated IND filing with the NMPA in China in August 2019 for a multiple-dose Phase 1b study in patients with RA in the first half of 2020. We also intend to investigate the efficacy of TJM2 in reducing or preventing CRS and neurotoxicity associated with CAR-T therapy through collaborations.

TJC4: A Potential Highly Differentiated CD47 Antibody for Immuno-Oncology

Summary

TJC4 is a fully human CD47 monoclonal antibody that we have discovered and developed internally for cancer immunotherapy. CD47 has emerged as one of the most promising immuno-oncology targets. Unlike other immuno-oncology targets being explored, the CD47-SIRPα pathway is involved in tumor progression by delivering a “don’t eat me” signal to tumor-engulfing macrophages, thereby protecting tumors from natural attacks by macrophages. Blockade of this pathway by CD47 antibody represents one of the most effective tumor killing mechanisms. However, due to the inherent epitope sharing between tumor cells and normal red blood cells (“RBCs”), the first-wave of clinical stage CD47 antibodies were found in clinical trials to bind to RBCs and cause significant hematologic adverse effects, such as severe anemia, which has hampered the development of these CD47 antibodies as a potential cancer therapy.

We developed TJC4 by design to possess a unique property or differentiation, to minimize binding to RBCs while retaining anti-tumor activities in line with other antibodies of the same class. This key differentiation is achieved through additional RBC counter-screening to select rare antibody clones that bind to CD47 with high affinity but do not bind to or bind minimally to RBCs. The proportion of RBC-sparing CD47 antibody leads among all CD47 antibody leads we identified after screening was 0.5%. TJC4 has been validated in a series of *in vitro* and *in vivo* pre-clinical studies, which have consistently shown a unique RBC-sparing profile comprised of

minimal RBC binding, lack of hemagglutination and no significant adverse hematologic changes in cynomolgus monkeys even when used at a high dose (100 mg/kg). Our pre-clinical data thus far indicate that TJC4, if approved, is a potentially highly differentiated anti-tumor CD47 antibody with the advantage of minimizing hematologic side effects. We have obtained the IND approval from the FDA and the NMPA, respectively. We have initiated a Phase 1 clinical trial in the United States to study the safety profile, especially the hematologic profile, of TJC4 and to assess its pharmacokinetics, pharmacodynamics and early anti-tumor signals in cancer patients, and no anemia has been observed in the first cohort of patients so far. We expect to obtain safety data of TJC4 by the first half of 2020. In parallel, leveraging the Phase 1 data generated in the United States, we plan to begin a Phase 1 clinical trial of TJC4 in acute myeloid leukemia ("AML") patients in China by the end of 2019, followed by a separate clinical trial in non-Hodgkin's lymphoma ("NHL") patients in China.

Therapeutic Options and Current Development

We plan to evaluate the therapeutic role of TJC4 in a variety of solid tumors, such as cancers of the ovary, lung, liver, pancreas, breast and colon, and hematological malignancies such as AML, lymphoblastic leukemia, and NHL. Although PD-1/PD-L1 therapies represent a new paradigm in cancer treatment, less than 40% of cancer patients have a clinically meaningful response to PD-1/PD-L1 treatment. As a result, targeting other immune components or cells involved in the immune system's anti-tumor mechanism has become an area of hot pursuit in the field of immuno-oncology. TJC4 is one such innovative and promising therapeutic antibody, which is capable of mobilizing macrophage functions for effective and direct tumor-killing. Currently, a number of CD47 antibodies are in clinical development by Forty-Seven, Inc., Celgene, Surface Oncology and Arch Oncology. The most advanced asset, 5F9 from Forty-Seven, Inc., is in Phase 2 clinical studies for multiple cancer indications. However, almost all clinical trials with CD47 antibodies so far have shown significant hematologic adverse effects, presumably due to inherent RBC-binding properties of generic CD47 antibodies, and as a result, some clinical studies had to be terminated.

Advantages of TJC4

TJC4 has similar nanomolar binding affinity as other CD47 antibodies and exhibits comparable anti-tumor activity. The key advantage of TJC4 is its minimal binding to RBCs, thus potentially avoiding or minimizing inherent hematologic adverse effects typically seen in other CD47 antibodies in clinical trials. This differentiated property of TJC4 is due to its unique epitope interaction as revealed by crystallography, which appears different from those recognized by other CD47 antibodies currently in clinical development. The differentiation of TJC4 is highlighted in a series of pre-clinical studies summarized as the following: (i) TJC4 displays only minimal RBC-binding even at high antibody concentrations by flow cytometry; (ii) TJC4 does not induce RBC agglutination even in a high dose range; and (iii) most importantly, TJC4 does not cause significant hematologic changes or systemic toxicologic effects even at high doses in multiple cynomolgus monkey studies, including a pivotal 4-week GLP toxicity study. Taken together, TJC4 has a potentially better clinical safety profile and may be used at higher doses to explore its anti-tumor potential compared to other clinical stage competitor molecules.

	Company 1	Company 2	Company 3	I-Mab
Affinity	$8x10^{-9}$	$4x10^{-9}$	$8x10^{-10}$	$5x10^{-10}$
RBC binding	++	++	++	Minimal
RBC clumping	++	-	-	-
Anti-tumor activity	++	++	++	++
Phase 1	Anemia	Anemia NHL *on-going* AML *stopped*	Anemia *Suspended*	1st patient cohort dosed in U.S. Clinical trials planned China
Phase 2	On-going (combo)			

Table: Differentiated product profile of TJC4. (Sources for comparator antibodies: American Society of Hematology publication, PLOS One publication, World Intellectual Property Organization and company data)

Mechanism of Action

TJC4 blocks the interaction between CD47 expressed on cancer cells and SIRPα expressed on macrophages, leading to increased phagocytosis of cancer cells by macrophages. In addition to stimulating the phagocytosis of cancer cells, CD47 blockade was shown to support other anti-tumor mechanisms, such as the enhancement of ADCC, direct induction of apoptosis (programmed cell death) of cancer cells by CD47 cross-linking, induction of differentiation of cancer stem cells, and inhibition of metastasis. Blockade of CD47 by TJC4 may also promote the development of anti-tumor T cell responses, resulting from increased tumor antigen presentation by professional antigen-presenting cells such as macrophages and dendritic cells.

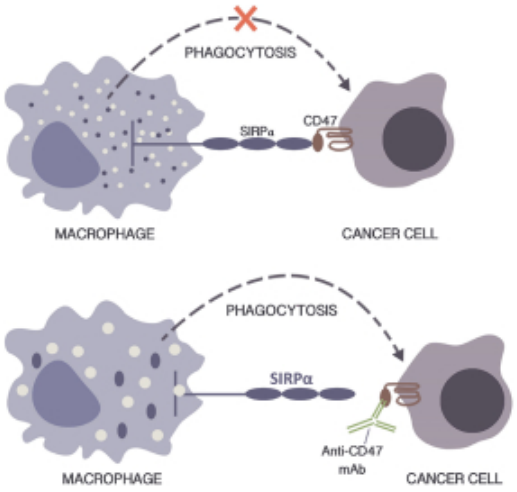


Figure: *Targeting the CD47/SIRPα myeloid-specific immune checkpoint. CD47 is highly expressed on many different types of cancers. SIRPα is an inhibitory receptor expressed on macrophages and other myeloid immune cells. When CD47 binds to SIRPα, it causes the inhibition of phagocytosis. CD47 antibodies disrupt the CD47/SIRPα axis and enable the phagocytosis of cancer cells.*

Summary of Pre-clinical Results

CD47-related In Vitro and In Vivo Anti-tumor Activities

TJC4 exhibits high-affinity binding to human CD47 protein and CD47-expressing tumor cells at the nanomolar level and effectively blocks interaction of CD47 with its receptor SIRPα. As compared with other CD47 antibodies currently under clinical development, TJC4 demonstrated comparable potency in the enhanced macrophage-mediated phagocytosis of Raji tumor cells (see Figure A below) and comparable anti-tumor activity in the HL-60 leukemia and Raji xenograft models (see Figure B below). Moreover, when combined with rituximab, TJC4 exhibited a markedly enhanced inhibition on tumor growth in a diffuse large B cell lymphoma (DLBCL) animal model, through the synergistic effect of both agents (see Figure C below).

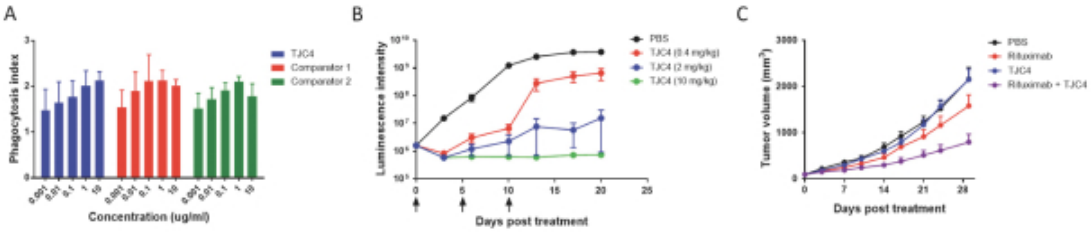


Figure: *In vitro and in vivo anti-tumor activity of TJC4. (A) In vitro phagocytosis of Raji cells by primary human macrophages in the presence of different doses of TJC4 or comparator CD47 antibodies. (B) In vivo anti-tumor activity of TJC4 mono-treatment in Raji xenograft model. (C) In vivo anti-tumor activity of TJC4 (5 mg/kg, BIW) in combination with Rituximab (5 mg/kg, BIW) in the DLBCL model.*

Assessment of Potential CD47-related In Vitro and In Vivo Hematologic Effects

First, in a representative flow cytometric analysis (see Figure A below), TJC4 showed minimal binding to human RBCs compared to comparator CD47 antibodies used at the same concentration (1 μg/ml). The minimal

binding of TJC4 to RBCs was confirmed when compared with other CD47 antibodies across multiple concentrations in another flow cytometric experiment (see Figure B below).

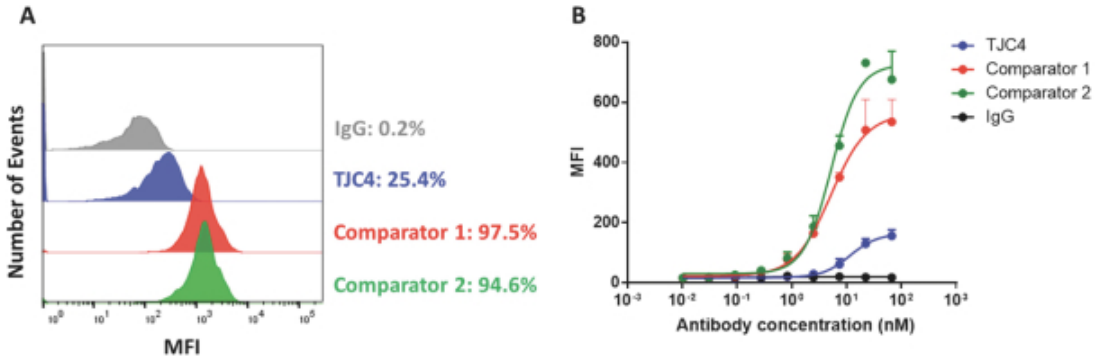


Figure: Binding of CD47 monoclonal antibodies to RBCs. (A) Representative graph of the staining of human RBCs with CD47 monoclonal antibodies or control IgG (1 µg/ml); (B) Dose dependent binding of CD47 monoclonal antibodies with human RBCs from different healthy donors (n = 3). MFI: mean fluorescence intensity.

Second, as CD47 is expressed on normal RBCs, binding of CD47 antibodies to the surface of RBCs could cross-link the RBCs into lattices and prevent them from precipitating into compact pellets, which is a phenomenon termed hemagglutination. Our results showed that TJC4 did not induce RBC agglutination across a wide range of antibody concentrations, while a comparator antibody caused significant hemagglutination starting at a concentration of 0.3 µg/ml. Results from a representative experiment are shown below.

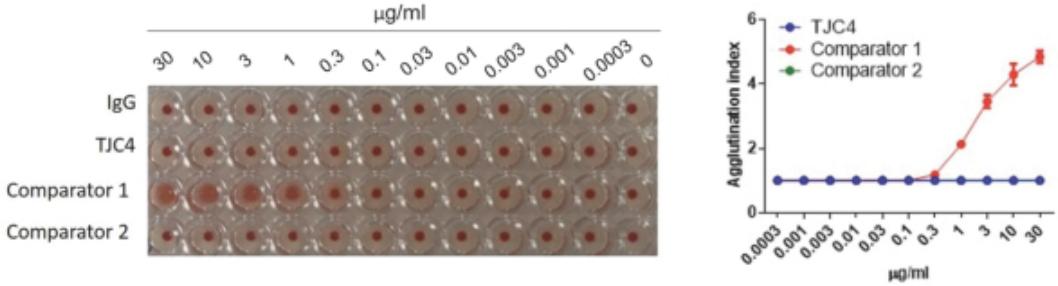


Figure: Hemagglutination by CD47 monoclonal antibodies. Left: representative graph of hemagglutination (haze appearance) or lack thereof (precipitate) by different concentrations of control IgG, TJC4, and comparator antibodies. Right: quantification through an index determined by the area of RBC occupation in the presence of the test antibodies, normalized to that of IgG control.

Thirdly, *in vivo* safety studies were performed in cynomolgus monkeys to assess the effects of TJC4 on the hematology parameters. Whereas a single bolus IV injection of the comparator antibody caused a significant drop in the number of RBCs and hemoglobin ("HGB") levels, treatment with TJC4 at a dose of 10 mg/kg did not significantly affect the number of RBCs, HGB levels or reticulocyte or platelet counts (see figure below).

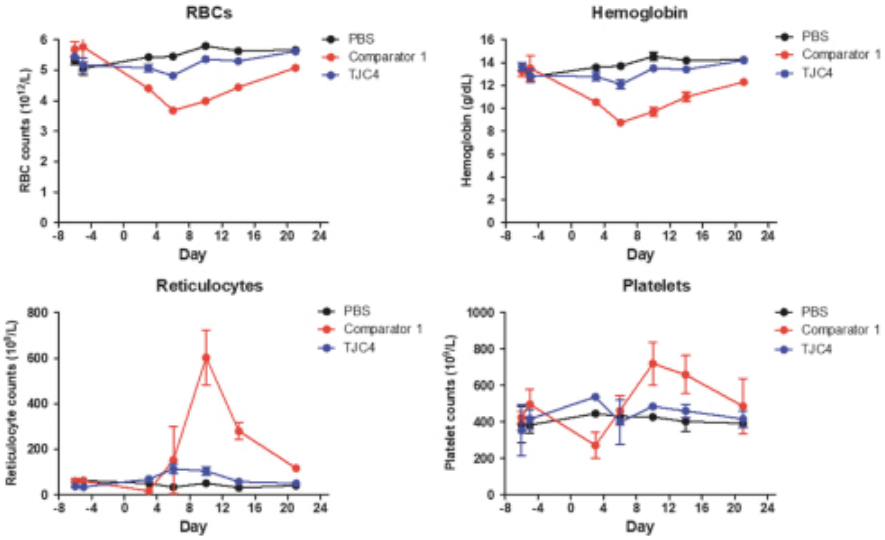


Figure: *Hematological parameters in non-human primates treated with a single dose of CD47 antibodies. On Day 0, naive cynomolgus monkeys were IV injected with PBS control (n=2), TJC4 (n=2, 10 mg/kg) or a comparator antibody (n=2, 10 mg/kg). Blood cells were counted, twice before drug injection (baseline) and at 3, 6, 10, 14 and 21 days post-injection.*

Moreover, in a four-week GLP toxicology study, TJC4 treatment did not induce significant overall toxicologic changes. Only mild decreases in the number of RBCs, HGB and hematocrit were found, which reached nadir at Day 4 post-first administration and then gradually recovered to the normal range following administration. The changes were not dose-dependent. Compared with the placebo control, the average decrease of RBCs in the treated animals was approximately 6% to 9% with only one animal showing an 18% drop at a dose of 30 mg/kg. No RBC-associated changes were noted in histopathologic examinations or in bone marrow smears (including erythrocytic series). Therefore, NOAEL was defined at 100 mg/kg.

Four-week GLP Toxicology Study in Monkeys

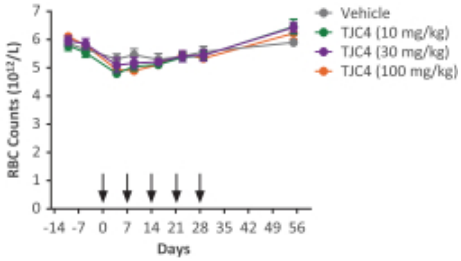


Figure: *No anemia in non-human primates (male) at a high dose range.*

Clinical Development Plan

We have recently initiated a Phase 1 clinical trial in patients with advanced cancer in the United States. The clinical trial (NCT03934814) is designed to assess the safety of TJC4 and, in particular, to confirm the hematologic safety profile, including anemia and other potential changes of the hematologic parameters. The clinical trial includes typical dose escalation schemes up to 30 mg/kg and cohort expansions in cancer patients. We expected to obtain safety data of TJC4 by the first half of 2020. In the same clinical trial, we also intend to evaluate the pharmacokinetics, pharmacodynamics and preliminary efficacy signals of TJC4 as a single agent and in combination with a PD-1 inhibitor or rituximab in patients with advanced solid tumors and relapsed or refractory lymphoma. The first cohort of four patients has been enrolled and dosed at 1 mg/kg and no anemia has been observed so far. In parallel, leveraging the Phase 1 data generated in the United States, we plan to begin a Phase 1 clinical trial of TJC4 in AML patients in China by the end of 2019, followed by a separate clinical trial in NHL patients. The goals of our global and China clinical development plans are to (i) advance clinical development of TJC4 in NHL and AML towards registration, and (ii) explore TJC4's treatment efficacy in various solid tumors in combination with PD-1 therapies, including ovarian cancer, gastric cancer, hepatocellular carcinoma, renal cell carcinoma, NSCLC and urothelial carcinoma, in which CD47 is highly expressed.

TJD5: A Potential Highly Differentiated CD73 Antibody for Cancer Treatment

Summary

TJD5 is an internally developed, humanized inhibitory antibody against human CD73. CD73 is a homodimeric enzyme expressed in tumors and plays a critical role in suppressing immune cells in tumor micro-environment. TJD5 displays sub-nanomolar binding affinity to CD73 and inhibits its nucleotidase activity. *In vitro*, TJD5 completely reversed the AMP- or tumor cell-mediated suppression of T cells. *In vivo*, when combined with a PD-L1 antibody, TJD5 exhibited a superior or synergistic inhibitory effect on tumor growth. The key differentiation of TJD5 when compared to some of the other clinical stage antibodies of the same class, is related to its novel epitope, which works through a unique intra-dimer binding mode, resulting in a complete inhibition of the enzymatic activity and avoiding the aberrant pharmacological property known as the "hook effect." With this particular mode of action, TJD5, if approved, has the potential to become a highly differentiated CD73 antibody. We have initiated a Phase 1 clinical trial in cancer patients in partnership with TRACON Pharmaceuticals in the United States. Safety data of TJD5 is expected by the first half of 2020.

Therapeutic Options and Current Development

Despite recent breakthroughs with PD-1/PD-L1 therapies, clinical non-response rates to such treatments remains high in cancer patients (exceeding 60%). This non-responsiveness to these standard treatments is partly due to the fact that T cells within an inhibitory tumor environment are suppressed and fail to respond to stimulation induced by PD-1/PD-L1 therapies. CD73, which converts extracellular adenosine monophosphate ("AMP") to adenosine, is implicated in one of the protective mechanisms of tumors that evade immune attack by creating an adenosine-rich microenvironment inhibitory to immune cells. Pre-clinical studies have indicated that the inhibition of CD73 renders T cells more responsive to PD-1/PD-L1 therapies by altering the tumor micro-environment, resulting in a superior anti-tumor effect. As CD73 is widely expressed in various cancers, a combination therapy of TJD5 with a PD-1/PD-L1 antibody may increase the likelihood of treatment success in cancer patients who do not respond to standard PD-1/PD-L1 therapies. The potential cancer indications of TJD5 include thyroid cancer, lung cancer, colorectal cancer, stomach cancer, urothelial cancer, endometrial cancer, head and neck cancer, breast cancer, ovarian cancer, and melanoma, in which CD73 is widely expressed.

A number of global companies are running active clinical development programs with CD73 antibodies. MEDI-9447 from Medimmune and BMS-986179 from Bristol-Myers Squibb are the two most advanced CD73 antibodies, which are in Phase 1/2 clinical trials. BMS-986179 is being studied as a single agent and in combination with nivolumab (a PD-1 antibody) for the treatment of advanced colorectal, esophageal, gastric, ovarian, and pancreatic cancers. MedImmune is testing MEDI-9447 for the treatment of solid tumors as a single

agent or in combination with durvalumab (a PD-L1 antibody) or chemotherapy. NZV-930 (from Novartis) and CPI-006 (from Corvus) have entered Phase 1 clinical trials for the treatment of solid tumors.

Advantages of TJD5

Extracellular AMP can be generated from ATP, cyclic AMP and nicotinamide adenine dinucleotide ("NAD") through separate biochemical pathways, all of which converge to CD73 to generate adenosine. Thus, CD73 antibody is expected to block adenosine generation more completely than other related pathways. Further, CD73 antibody works through a substrate non-competitive fashion and has advantages over small molecule inhibitors targeting the adenosine pathway through a substrate competing fashion. More importantly, TJD5, if approved, is potentially highly differentiated among the clinical stage CD73 antibodies as it binds to a novel epitope in the C-terminal domain of CD73 without causing a "hook effect."

TJD5 has the following key advantages: (i) TJD5 exhibits a typical dose-response curve without the "hook effect" and with a complete inhibition of both soluble and surface-bound CD73 and (ii) TJD5 has a non-competitive inhibitory effect that is not blunted by high levels of CD73 enzyme substrates, which would be expected for small-molecule competitive blockers. These pharmacological properties may translate into efficient target inhibition in tumors and superior anti-tumor activity, especially in an adenosine-rich micro-environment.

Mechanism of Action

Adenosine is a potent immunosuppressive signaling molecule abundant in the tumor microenvironment. CD73 is the rate-limiting enzyme that generates adenosine from extracellular AMP. TJD5 allosterically inhibits the CD73 enzyme by preventing the inactive CD73 dimer from changing into the active conformation in a substrate non-competitive manner. This results in a decrease in adenosine production in the tumor micro-environment, increasing T cell anti-tumor activity.

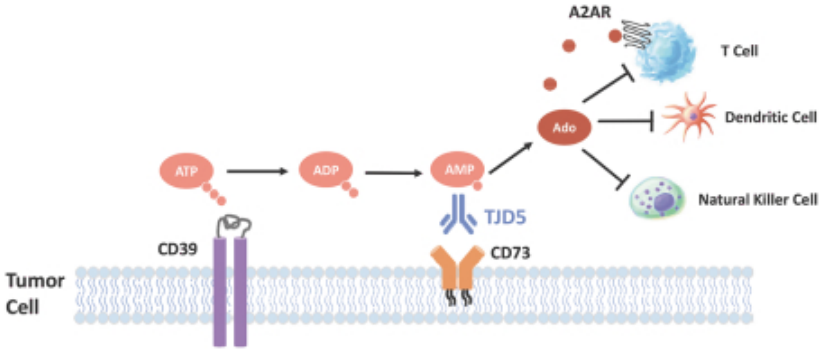


Figure: Schematic diagram of CD73-catalyzed adenosine (Ado) generation and immunosuppression by Ado in the tumor microenvironment.

Summary of Pre-clinical Results

Inhibition of CD73 by TJD5. As shown in the figure below, TJD5 displayed complete inhibition of soluble CD73 enzymatic activity (IC_{50}= 0.22 n*M*) without the "hook effect" in contrast to the comparator molecule, which at higher concentrations caused a paradoxical rebound of enzymatic activity presumably due to its inter-dimer binding mode.

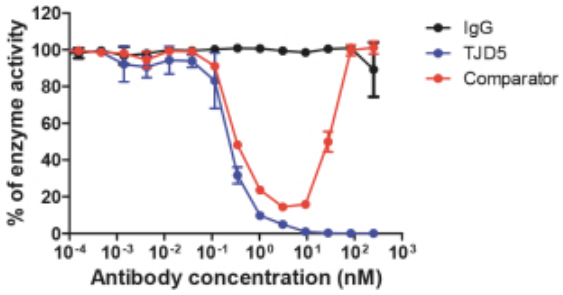


Figure: Inhibitionof soluble CD73 enzymatic activity by CD73 antibodies.

Restoration of T Cell Activity by TJD5 In Vitro. We observed that AMP inhibited interferon gamma (IFN-g) production by CD4 or CD8 T cells through adenosine generation, mimicking the suppressive tumor microenvironment where AMP is abundantly produced. However, this suppression could be reversed by TJD5 in a concentration-dependent manner. Moreover, in an experimental system where $CD73^{high}$ human ovarian cell line SK-OV-3 and human T cells were co-cultured, addition of TJD5 restored T cell activity as measured by IFNg production in a concentration-dependent manner.

In Vivo Anti-tumor Activity of TJD5. TJD5 monotherapy showed a moderate anti-tumor effect in a mouse xenograft model bearing A375 melanoma cells. To examine whether TJD5 can enhance the anti-tumor activity of the PD-L1 antibody, we evaluated the therapeutic effects of TJD5 used as a single agent and in combination with a PD-L1 antibody in the same A375 melanoma model. The combination treatment group resulted in 68% inhibition of tumor growth which is significantly better than the vehicle and TJD5 monotherapy.

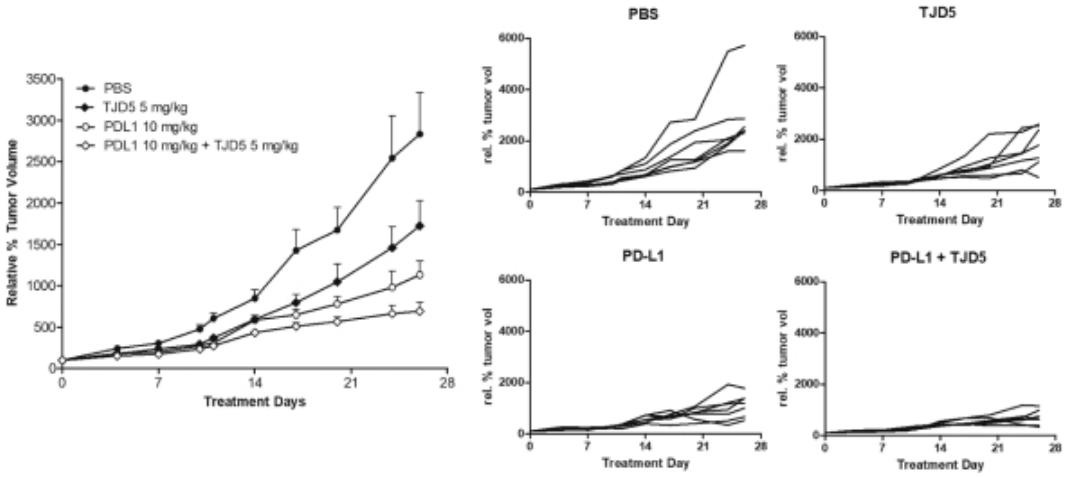


Figure: In vivo anti-tumor activity of TJD5 and anti-PD-L1 in A375 melanoma xenograft model. Mice were treated with PBS control, anti-PD-L1 (10 mg/kg), TJD5 (5 mg/kg) or a combination of anti-PD-L1 and TJD5 twice a week for three weeks. Tumor volumes as percentages relative to baseline (day 0) for each treated group (n=7 per group) (left) and for each individual mouse (right) were plotted.

Pharmacokinetics of TJD5 in Cynomolgus Monkeys. Following a single IV injection of TJD5 at 5, 25 and 50 mg/kg, the mean Cmax ranged dose-proportionally from 136 to 1430 µg/mL, and the systemic exposure indicated by the AUC0-last increased in a non-linear manner, ranging from 4020 to 135000 hr*µg/mL. Mean half-life was 44.9 hours, 61.5 hours and 104 hours, respectively, reflecting decreased clearance of TJD5 with increasing dose. No apparent sex difference was observed in the main PK parameters. Positive ADAs against TJD5 were detected in the majority of the animals, without an apparent impact on systemic exposure.

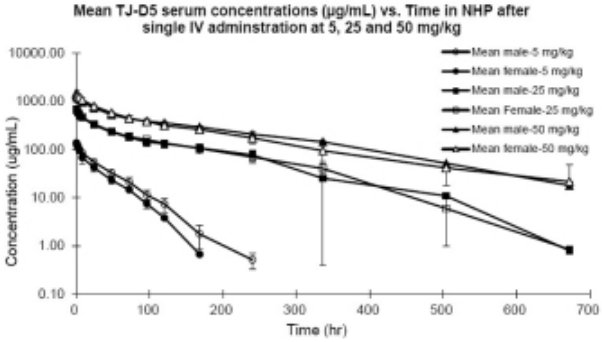


Figure: Concentration-time profile of TJD5 in cynomolgus monkeys.

Repeat-dose Toxicology Study of TJD5 in Cynomolgus Monkeys. A four-week GLP toxicity study was conducted in cynomolgus monkeys followed by a six-week recovery period to evaluate the potential toxicity of

TJD5. Forty cynomolgus monkeys were randomly assigned into four groups (5/sex/group) and given five weekly doses of TJD5 at 20, 60 or 200 mg/kg via IV injection. Systemic exposures (Cmax and AUC0-t) generally increased dose-proportionately, and the Day 22 values were generally higher than those on Day 1, with mean accumulation ratios (AR) ranging between 1.65 and 2.19. No apparent sex difference was observed. Positive TJD5 antibodies were detected in the majority of animals following repeat administration at all doses, while no significant impact was observed on the TK profiles.

The only TJD5-related effect was decreased monocyte chemoattractant protein 1 (MCP-1) on Day 1 (24 or 48 hours post-dosing) in treated animals. Due to a lack of corresponding findings or impact on the well-being of the animals, this effect was not considered adverse. No abnormality was observed in other study endpoints, including safety pharmacology parameters and immunotoxicity. The no observed adverse effect level (NOAEL) was defined at 200 mg/kg. This dose level corresponded to the mean C_{max} and AUC values of 6890 μg/mL and 594000 μg*hr/mL in males, respectively, and 6450 μg/mL and 501000 μg*hr/mL in females, respectively, on Day 22 of the dosing phase.

Clinical Development Plan

The current clinical development plan is to develop TJD5 in the United States and China in parallel. In the United States, we have initiated a Phase 1 clinical trial in patients with advanced solid tumors in partnership with TRACON Pharmaceuticals, Inc., which will be responsible for conducting the clinical trial in the United States (TJD5 is referred to as TJ004309, NCT03835949). Three patients have been dosed so far. After determining the RP2D, the trial will enroll additional patients with advanced solid tumors to confirm tolerability and to explore preliminary efficacy of the combination therapy with atezolizumab. Safety data of TJD5 is expected by the first half of 2020. In China, we plan to begin a clinical trial to evaluate the safety, tolerability, PK/PD, and potential efficacy primarily in patients with lung cancer. An IND application was submitted to the NMPA in June 2019.

Pre-clinical Assets (Monoclonal antibodies)

TJ210 and TJX7 are monoclonal antibodies currently at the CMC stage, moving towards IND submission and clinical trials in the United States by 2020.

TJ210: A Potential Highly Differentiated Antibody Targeting Myeloid Derived Suppressor Cells in Cancers and Autoimmune Diseases

TJ210 is a fully human, high affinity antibody against human C5aR1 for the treatment of cancers and potentially autoimmune diseases. Tumors produce large amounts of complement factor C5a to attract C5aR1-expressing myeloid derived suppressor cells (“MDSCs”), M2 macrophages and neutrophils. These myeloid cells critically contribute to an immunosuppressive microenvironment as part of the evading mechanism of tumors and are associated with poor prognosis and resistance to PD-1/PD-L1 therapies in many cancers. Inhibition of C5a or its receptor C5aR in mice leads to markedly reduced MDSCs and has an inhibitory effect on tumor growth in various tumor-bearing animal models. The C5aR-blocking antibody has been shown to have significant therapeutic activity when combined with PD-1 therapies in PD-1-resistant tumor models. TJ210 exerts strong anti-tumor activity by blocking the activation and migration of C5aR1-expressing myeloid cells and has a highly differentiated potential, if approved, as it binds to a novel epitope and possesses superior functional properties. Compared to the only competitor antibody from Innate Pharma, TJ210 shows a more potent anti-tumor effect, especially when C5a concentrations are high, and binds to C5a receptors in both humans and monkeys, making pre-clinical safety assessment possible. In addition, TJ210 has therapeutic potential in multiple inflammatory and autoimmune indications, in which the role of the C5a/C5aR axis has been validated. We partnered with the original developer of TJ210, MorphoSys, for Greater China rights and shared global rights. TJ210 is progressing towards IND submission by 2020 in the United States, and we plan to work jointly with MorphoSys to develop this asset.

TJX7: A Potential First-in-Class CXCL13 Antibody for Autoimmune Diseases

TJX7 is an internally discovered, potentially first-in-class humanized neutralizing antibody targeting the CXCL13 chemokine. CXCL13, through its receptor CXCR5, plays a key role in forming germinal centers, which are critical for immune response. The role of CXCL13 in forming germinal centers is to guide the migration of germinal center B cells and follicular T cells within the lymphoid organs and facilitate their interaction, maturation and function. One of the key pathogenic features in autoimmune diseases is related to the aberrant formation of ectopic germinal centers formed in affected organs, contributing to chronic inflammation and tissue destruction. Elevated serum CXCL13 levels, CXCR5-expressing T cells and pathogenic germinal center B cells and even ectopic germinal center formation are found in multiple autoimmune diseases, including Sjögren's syndrome, RA, multiple sclerosis, and SLE. TJX7 is being developed for the treatment of autoimmune disorders and has been shown to bind to CXCL13 with sub-nanomolar affinity, effectively blocking the interaction between CXCL13 and CXCR5 and the downstream signaling. TJX7 has been shown to completely inhibit the migration of primary human tonsil B cells. Pharmacodynamic studies in mice and cynomolgus monkeys have confirmed TJX7's inhibitory effects on germinal center formation and antibody production. Results generated so far indicate that TJX7 may provide a new therapeutic angle in the treatment of autoimmune diseases as it acts uniquely at the core of tissue pathologies. TJX7 is currently under CMC and pre-clinical development.

Pre-clinical Assets (Bi-Specific Antibody Panel)

PD-L1-based Bi-specific Antibodies. As previously discussed, this panel of PD-L1-based bi-specific antibodies is designed according to the scientific rationale that a PD-L1 antibody, when engineered with a selected second immune component such as a cytokine or another antibody, is able to convert "cold tumors," which typically do not respond to PD-1/PD-L1 inhibitors, to "hot tumors," which are more sensitive to PD-1/PD-L1 therapies. Such PD-L1-based bi-specific antibodies are expected to increase the probability of treatment success in patients who do not respond to PD-1/PD-L1 treatment. Based on this concept, we have generated a panel of bi-specific antibodies using our proprietary PD-L1 antibody sequence as the backbone (the first signal), linked to a second component (the second signal) of selected immune properties. The second signals for this panel of bi-specific antibodies include IL-7 cytokine (expanding T effector cells), 4-1BB and B7-H3 antibodies (activating T cells synergistically with PD-L1), CD47 antibody (adding the macrophage killing mechanism) and CD73 antibody (altering tumor microenvironment). We strive to validate all bi-specific antibodies through a series of robust *in vitro* and *in vivo* studies for proof-of-concept, thus providing a solid basis for further development, expecting at least one IND submission in the United States in 2020. Collectively, we have demonstrated that the second paired component must be structurally integrated with the tumor-engaging anti-PD-L1 backbone to concentrate and function effectively inside tumors, which cannot be achieved by simply combining two free agents.

"Fortified" Bi-specific Antibodies for Specific Cancer Therapeutic Purposes. TJ-C4GM is a "fortified" version of the CD47 antibody, which is specifically designed for the treatment of solid tumors through the CD47-mediated macrophage killing mechanism. As the majority of tumor-associated macrophages adopt an anti-inflammatory and tumor-promoting M2 phenotype rather than a pro-inflammatory M1 phenotype, they are less efficient in phagocytosis in response to CD47 blockade. Thus, treatment of solid tumors with the CD47 antibody may exhibit limited efficacy. TJ-C4GM is a novel molecule composed of TJC4 with an engineered GM-CSF moiety fused at the C-terminus of the antibody heavy chain. GM-CSF is a potent cytokine known to convert tumor-resident M2 macrophages into tumor-engulfing M1 macrophages, which enables TJ-C4GM to exert a better phagocytic effect in solid tumors. These unique functional properties of TJ-C4GM are confirmed in a series of *in vitro* and *in vivo* tumor animal models, in which TJ-C4GM exerts superior anti-tumor activity against solid tumors, which cannot be achieved by TJC4 or GM-CSF used either alone or in combination. TJ-C4GM is currently at the CMC and pre-clinical development stage.

TJ-CLDN4B is a bi-specific antibody targeting both Claudin18.2 (CLDN18.2), a tumor antigen preferentially expressed in gastric and pancreatic cancers, and 4-1BB, a co-stimulatory molecule on T cells.

CLDN18.2 is a tight junction molecule normally expressed only on epithelial cells of the gastric mucosa, which is inaccessible by antibodies under normal conditions, making it a highly attractive tumor target. Although a CLDN18.2 monoclonal antibody (claudiximab) was active in a Phase 2 trial, only the CLDN18.2 high-expressing tumors seemed to be susceptible. In collaboration with ABL Bio, we developed a bi-specific antibody, TJ-CLDN4B, which provides two key advantages over current CLDN18.2 antibodies and 4-1BB agonistic antibodies. First, TJ-CLDN4B is capable of binding to tumor cells even with low levels of CLDN18.2 expression, making it more suitable for a broader patient population. Second, only upon tumor cell engagement by TJ-CLDN4B are T cells activated. In contrast, other pan-activating 4-1BB antibodies that activate T cells regardless of tumor engagement are prone to liver toxicity as seen in clinical studies. In a humanized mouse model, TJ-CLDN4B suppressed tumor growth to a greater extent than anti-CLDN18.2 or anti-4-1BB alone or in combination. TJ-CLDN4B is currently at the CMC and pre-clinical development stage.

Licensing and Collaboration Arrangements

A. In-Licensing Arrangements

Licensing Agreement with MorphoSys (MOR202/TJ202)

In November 2017, we entered into a license and collaboration agreement with MorphoSys AG ("MorphoSys") with respect to the development and commercialization of MOR202/TJ202, MorphoSys´s proprietary investigational antibody against CD38 (the "CD38 product").

Under this agreement, MorphoSys granted to us an exclusive, royalty-bearing, sublicensable license to exploit MOR202/TJ202 for any human therapeutic or diagnostic purpose in the licensed territory, namely Greater China.

Pursuant to this agreement, we granted to MorphoSys an exclusive license to our rights in any inventions that we make while exploiting MOR202/TJ202 under this agreement, solely to exploit MOR202/TJ202 outside of Greater China.

We also received the right to sublicense to affiliates and third parties acting as contract manufacturers, contract research organizations, distributors or wholesalers without prior written consent, as well as the right to sublicense to other third parties with the prior written consent of MorphoSys, not to be unreasonably withheld, delayed or conditioned.

We are solely responsible for the development and commercialization of MOR202/TJ202 in Greater China, and must use commercially reasonable efforts as we develop and commercialize MOR202/TJ202.

Pursuant to this agreement, we paid to MorphoSys an upfront license fee of US$20.0 million. We also agreed to make milestone payments to MorphoSys, conditioned upon the achievement of certain development, regulatory and commercial milestones, in the aggregate amount of US$98.5 million. Such milestones include first patient dosed in human clinical trials, marketing approval, and first annual net sales of CD38 products covered by the agreement in excess of a certain amount. As of the date of this prospectus, we have made milestone payments of US$8.0 million to MorphoSys.

In addition, we are required to pay tiered low-teens royalties to MorphoSys on a country-by-country and product-by-product basis during the term, commencing with the first commercial sale of a relevant licensed product in Greater China. The end of the royalty term is linked to (i) the expiration, invalidation or abandonment of relevant patent claims, (ii) 10 years from the date of first commercial sale of such CD38 product, and (iii) marketing exclusivity for such relevant licensed product. To date, we have not paid any royalties to MorphoSys. Unless terminated earlier in accordance with the terms thereof, this agreement will remain in effect until the expiration of our last payment obligation under the agreement. This agreement may be terminated by either party for the other party's uncured material breach, bankruptcy or insolvency. In addition, we have the

right to terminate the agreement for convenience at any time after a certain specified time period upon a notice period that varies based upon the stage of development. MorphoSys has the right to terminate the agreement if we challenge its patents. To the extent that we terminate for convenience or MorphoSys terminates for our material breach, bankruptcy, insolvency or patent challenge, among other things, all licenses and rights granted by MorphoSys to us will automatically terminate and the licenses and rights granted by us to MorphoSys will survive. In the event of such termination, we must also grant to MorphoSys an exclusive, royalty-bearing, sublicensable license under certain of our intellectual property relating to the licensed product to exploit MOR202/TJ202 for any human therapeutic or diagnostic purpose in Greater China.

Assignment and License Agreement with Genexine (TJ101)

In October 2015, I-Mab Bio-tech Tianjin Co., Ltd., known as Tasgen Bio-tech (Tianjin) Co., Ltd. at the time (which subsequently became our subsidiary following the Acquisition) ("I-Mab Tianjin"), entered into an intellectual property assignment and license agreement with Genexine, Inc. ("Genexine"), further amended in December 2017, with respect to four licensed products, namely GX-H9 (TJ101), GX-G3 (TJ102), GX-G8 and GX-P2 and one assigned product, GX-G6 (TJ103). Under this agreement, Genexine (i) granted to I-Mab Tianjin an exclusive, non-transferable, sublicensable license to use and otherwise exploit certain intellectual property to engage in pre-clinical and clinical development, manufacturing, sale and distribution of the above-mentioned licensed products for (A) the treatment of any disease with respect to GX-H9 and GX-G3 in China (which, for clarity excludes, Hong Kong, Macau and Taiwan), (B) the treatment of chemically induced diarrhea, with respect to GX-G8 anywhere in the world and (C) the treatment of rheumatoid arthritis and lupus (not including psoriasis) with respect to GX-P2 anywhere in the world and further (ii) assigned to I-Mab Tianjin a certain Chinese patent and related know-how related to the assigned product (TJ103) and granted I-Mab Tianjin an exclusive license to exploit the assigned intellectual property to engage in pre-clinical and clinical development, manufacturing, sale and distribution of the assigned product (TJ103) for the treatment of any disease in China (which, for clarity, excludes Hong Kong, Macau and Taiwan). I-Mab Tianjin will also receive an exclusive license to any improvements that Genexine develops or acquires related to any of the aforementioned products.

Under this agreement, I-Mab Tianjin paid an aggregate upfront license fee of US$13.0 million in relation to the patents, patent applications, know-how, data and information in connection with the four licensed products and a purchase fee of US$7.0 million in connection with the assigned product (TJ103). I-Mab Tianjin also agreed to make certain milestone payments, including milestone payments in the aggregate amount of US$40.0 million for GX-H9, US$25.0 million for TJ103 and US$15.0 million for GX-G3, conditioned upon the achievement of certain net sales targets. As of the date of this prospectus, I-Mab Tianjin has made milestone payments of US$0.4 million to Genexine.

The term of this agreement is 30 years unless terminated earlier in accordance with the terms thereof. This agreement may be terminated by either party for the other party's uncured material breach, bankruptcy or insolvency, in the event of force majeure or a PRC regulatory requirement to make material alteration or modification to the contractual rights or obligations of this agreement which has the effect of preventing the parties from achieving their business objectives, or upon the termination of a certain subscription agreement or a certain joint venture agreement entered into by I-Mab Tianjin and Genexine in October 2015 (provided that the termination of such subscription agreement or joint venture agreement was not due to the material breach of the party electing to terminate this agreement). Genexine has the right to terminate the agreement if we fail to use commercially reasonable efforts to obtain regulatory approvals for commercializing the licensed product in the agreed period due to our own fault or if we cease to pursue clinical development or product registration or to conduct licensed activities on a reasonable scale as approved by our board of directors. During the term of this agreement, if I-Mab Tianjin develops or acquires any improvement, modification or alteration to the licensed products, I-Mab Tianjin will become the sole legal owner of such improvements, modifications and alterations and has full power, right and authority to grant licenses or transfer ownership of the same. I-Mab Tianjin is required to promptly notify Genexine in writing giving details of any such improvements, modifications or alterations and provide Genexine with such explanations or trainings to enable Genexine to legally and

effectively use the same. Additionally, I-Mab Tianjin shall grant to Genexine a fully paid up, royalty-free, exclusive license to use any such improvements, modifications and alterations anywhere outside of the territory for which I-Mab Tianjin is licensed under this agreement.

Licensing Agreement with Genexine (GX-I7/TJ107)

In December 2017, we entered into an intellectual property license agreement with Genexine with respect to GX-I7, a long-acting IL-7 cytokine. Under this agreement, Genexine granted to us an exclusive, sublicensable and transferable license to use and otherwise exploit certain intellectual property (including improvements subsequently developed or acquired by Genexine) in connection with the pre-clinical and clinical development, manufacturing, sale and distribution of GX-I7 to treat cancers in the field of oncology in China, Hong Kong, Macau and Taiwan.

Under this agreement, we paid an upfront license fee of US$12.0 million to Genexine. We also agreed to make milestone payments in the aggregate amount of US$23.0 million, conditioned upon the achievement of certain development milestones, including completion of Phase 2 and Phase 3 clinical studies and NDA or BLA approval in any of China, Hong Kong, Macau or Taiwan.

Further, we agreed to make milestone payments in the aggregate amount of US$525.0 million, conditioned upon the achievement of certain cumulative net sales of GX-I7 up to US$2,000 million. We also are required to pay Genexine a low-single-digit percentage royalty in respect of the total annual net sales of GX-I7. The aforesaid milestones and royalties (other than the upfront payment) will be reduced by 50% following the entry of a generic version of GX-I7 in China, Hong Kong, Macau and Taiwan without the consent or authorization of us or any of our sublicensees. As of the date of this prospectus, no milestone payments or royalties are due under this agreement.

Unless terminated earlier in accordance with the terms thereof, this agreement will remain in effect until the later of (i) the expiry of the last to expire patent of the licensed intellectual property that includes a valid claim for China, Hong Kong, Macau or Taiwan. and that covers the composition of GX-I7; and (ii) 15 years from the date of the first commercial sale of GX-I7. This agreement may be terminated by either party for the other party's uncured material breach, bankruptcy or insolvency, in the event of force majeure or regulatory requirement to make material alteration or modification to the contractual rights or obligations of this agreement which has the effect of preventing the parties from achieving their business objectives, or by mutual agreement of both parties. Genexine has the right to terminate the agreement if we fail to use commercially reasonable efforts to obtain regulatory approvals or other registrations necessary for commercializing the licensed product in the agreed period due to our fault or if we cease to pursue clinical development or product registration or to conduct licensed activities on a reasonable scale as agreed ("Development and Commercialization Termination Events"). Such Development and Commercialization Termination Events expressly include our failure to reach certain development milestones or commercially launch the licensed product in the agreed period. To the extent that we terminate as a result of a regulatory requirement to make material alteration or modification to the contractual rights or obligations of this agreement or Genexine terminates for our material breach, bankruptcy or insolvency, force majeure, or the Development and Commercialization Termination Events, we cannot develop, manufacture, market, promote, sell, offer for sale, distribute or otherwise make available any competing product for a certain period after such termination.

During the term of this agreement, if we develop or acquire any improvement, modification or alteration to the licensed product, we will own such improvements, modifications or alterations and provide Genexine details thereof, whether patentable or not. Additionally, we shall grant to Genexine a fully paid up, royalty-free. exclusive license (with a right to sublicense) to use any such improvements, modifications or alterations anywhere outside of China, Hong Kong, Macau and Taiwan.

Licensing Agreement with Ferring (TJ301)

In November 2016, we entered into a license and sublicense agreement with Ferring International Center SA ("Ferring") with respect to (i) FE301, an interleukin-6 inhibitor, and (ii) all pharmaceutical formulations in

finished packaged form containing FE301 covered by certain patents or patent applications. Under this agreement, Ferring granted to us an exclusive, sublicensable license (excluding any non-exclusive license that Ferring granted to Conaris Research Institute AG under a licensing agreement entered into in November 2008) under certain Ferring intellectual property to research, develop, make, have made, import, use, sell and offer to sell FE301 (and the licensed products containing FE301) in China, Hong Kong, Macau, Taiwan and South Korea. We also have an option to receive an exclusive, sublicensable license under certain Ferring intellectual property to research, develop, make, have made, import, use, sell and offer to sell FE301 (and the licensed products containing FE301) in the countries in North America, the European Union and Japan that are mutually agreed upon by the parties.

We are required to use commercially reasonable efforts to obtain approval of FE301 and to promote, market, distribute and sell it in China, Hong Kong, Macau, Taiwan, and South Korea. Such activities are to be at our own cost and expense.

Under this agreement, we paid to Ferring an upfront license fee of US$2.0 million. We also agreed to make milestone payments to Ferring, in the aggregate amount of US$14.5 million, conditioned on the achievement of certain development milestones in the licensed territory, including completion of Phase 1b and Phase 2a clinical studies and the submission and approval of the new drug application. Further, if we exercise our option to receive a license in any of the mutually agreed upon countries in North America, the European Union and Japan, we are required to pay to Ferring an additional US$3.0 million as an upfront license fee (upon the exercise of the option), and milestone fees up to the aggregate amount of US$30.0 million, conditioned upon the licensed product achieving certain development milestones in certain countries in the option territory. As of the date of this prospectus, no milestone payments are due under this agreement.

In addition, we agreed to pay Ferring tiered royalties ranging from the mid-single-digit to high-single-digit percentages of annual net sales for countries in China, Hong Kong, Macau, Taiwan, and South Korea, and from the high-single-digits to 10% of annual net sales for the mutually agreed upon countries in North America, the European Union and Japan. To date, we have not paid any royalties to Ferring.

The royalty term commences with the first commercial sale of the licensed product in the relevant country and ends upon the later of (i) 15 years from the date of launch, and (ii) the expiry of the last to expire patent of Ferring that includes a valid claim covering the development, making, using or selling of the licensed compound or licensed product in the licensed territory and/or option territory. Unless terminated earlier in accordance with the terms thereof, this agreement will remain in effect until the later of the expiry of the royalty term, and the first date on which we are not conducting any necessary and outstanding clinical study with respect to the licensed product or seeking to obtain any necessary and pending regulatory approval for the licensed product, if applicable. This agreement may be terminated by either party for the other party's uncured material breach, bankruptcy or insolvency. In addition, in the event that the original licensor terminates its license to Ferring governing any of the intellectual property sublicensed to us under this agreement, Ferring has the right to terminate this agreement with respect to such sublicenses in which case both parties will discuss in good faith how to resolve and mitigate to mutual satisfaction. To the extent that Ferring terminates for our material breach, bankruptcy or insolvency, among other things, all licenses and rights granted by Ferring to us will automatically terminate and the licenses and rights we granted to Ferring will survive and automatically become irrevocable with the right to sublicense.

During the term of the licensing agreement, if we develop or acquire any improvement, modification, enhancement or addition to the licensed product, we will own and retain all rights, title and interest therein, and grant to Ferring a non-exclusive, fully paid, royalty-free, worldwide license thereto.

Collaboration Agreement with MacroGenics (enoblituzumab)

In July 2019, we entered into a license and collaboration agreement with MacroGenics, Inc. for development and commercialization of an Fc-optimized antibody known as enoblituzumab that targets B7-H3,

including in combination with other agents, such as the anti-PD-1 antibody known as MGA012, in the People's Republic of China, Hong Kong, Macau and Taiwan.

Under this agreement, MacroGenics granted to us an exclusive, sublicenseable, royalty-bearing license to MacroGenics' patents and know-how to develop and commercialize the enoblituzumab product, and a combination regimen of enoblituzumab and MGA012, in Greater China during the term of the agreement.

In exchange for these rights, in addition to certain financial consideration, we granted to MacroGenics a royalty-free, sublicenseable, license outside of Greater China, to our patents and know-how that are related to the enoblituzumab product or useful or necessary for MacroGenics to develop or commercialize the enoblituzumab product or a product containing MGA012, and combinations thereof. The license is (i) non-exclusive with respect to the enoblituzumab product, and (ii) exclusive with regard to MGA012.

Unless prohibited by applicable laws and regulations, we will co-own all clinical data generated pursuant to this agreement in any clinical trial conducted solely in Greater China, and, to the extent that such joint ownership is not legally permitted, MacroGenics will be the sole and exclusive owner of such clinical data. MacroGenics will solely and exclusively own all other clinical data generated pursuant to this agreement.

Additionally, we will pay MacroGenics an upfront payment of US$15.0 million. We also agreed to pay MacroGenics development and regulatory milestone fees of up to US$135.0 million and tiered double-digit royalties (ranging from mid-teens to twenty percent) based on annual net sales in the territories. As of the date of this prospectus, no milestone payments or royalties are due under this agreement.

We are responsible for, and must use commercially reasonable efforts, to develop and commercialize the enoblituzumab product (which includes the enoblituzumab product in combination with MGA012) in Greater China. This includes conducting all clinical studies required for approval, participating in a planned, global Phase 3 trial (or another mutually agreeable global clinical trial) of the enoblituzumab combination product, the conduct of at least two Phase 2 or Phase 3 trials each targeting B7-H3 expressing patient populations, and submissions to regulatory authorities in Greater China. MacroGenics is responsible for, and must use commercially reasonable efforts to, develop and commercialize the enoblituzumab product (which includes the enoblituzumab product in combination with MGA012) in the rest of the world.

We are responsible for all development costs in Greater China. MacroGenics is responsible for all development costs in the rest of the world, except that we are responsible for 20% of the costs incurred in (i) activities supporting global clinical trials in which we participate, (ii) certain CMC activities for material intended to be used in clinical trials in Greater China, and (iii) companion diagnostic development and validation for indications being studied in Greater China.

Unless terminated earlier in accordance with the terms thereof, this agreement will remain in effect, on a country-by-country and region-by-region basis, until the later of (i) the twelfth (12th) anniversary of the first commercial sale of an enoblituzumab product in such country or region, (ii) the expiration of the last-to-expire MacroGenics patent licensed under this agreement, which will occur in October 2036, and (iii) the expiration of the latest data exclusivity period for the enoblituzumab product in such country or region. Since there is currently no data exclusivity protection period in China, Hong Kong, Macau or Taiwan, this agreement will remain in effect until the later of clauses (i) and (ii). This agreement may be terminated by either party for the other party's uncured material breach, safety reasons or force majeure. In addition, we have the right to terminate the agreement for convenience at any time after a certain specified time period upon advance notice to MacroGenics. MacroGenics has the right to terminate the agreement if we challenge its patents. To the extent that we terminate for convenience or MacroGenics terminates for our material breach, patent challenge or safety reasons, all licenses and rights granted by MacroGenics to us will automatically terminate and the licenses and rights granted by us to MacroGenics will survive and automatically become exclusive and worldwide. To the extent that we

terminate for MacroGenics' material breach or safety reasons, among other things, all licenses and rights granted by MacroGenics to us will automatically terminate. The licenses and rights granted by us to MacroGenics will also automatically terminate to the extent we terminate for MacroGenics' material breach. To the extent we terminate for safety reasons, such licenses and rights will terminate only with respect to the licensed territory and will otherwise survive outside the licensed territory.

Other In-Licensing Arrangements

In November 2018, we entered into a license and collaboration agreement with MorphoSys for MorphoSys's proprietary antibody (MOR210/TJ210) directed against C5aR (the "C5aR Agreement"). Under this agreement, MorphoSys granted to us an exclusive, royalty-bearing license to explore, develop and commercialize MOR210/TJ210 in Greater China and South Korea. I-Mab will perform and fund all global development activities related to the development of MOR210/TJ210 in Greater China and South Korea, including all relevant clinical trials (including in the U.S. and China) and all development activities required for IND filing in the US as well as CMC development of manufacturing processes. As of the date of this prospectus, we have made an upfront payment of US$3.5 million to MorphoSys and no milestone payments or royalties are due under this agreement. MorphoSys retains rights in respect of development and commercialization of MOR210/TJ210 in the rest of the world. Additionally, MorphoSys maintains the right to conduct activities in Greater China and South Korea that enable MorphoSys to exploit MOR210/TJ210 outside of those countries. Pursuant to the C5aR Agreement, we are required to use commercially reasonable efforts as we develop and commercialize MOR210/TJ210 in Greater China and South Korea. This agreement may be terminated by either party for the other party's uncured material breach, bankruptcy or insolvency. In addition, we have the right to terminate the agreement for convenience at any time after a certain specified time period upon a notice period that varies based upon the stage of development and for safety reasons. MorphoSys has the right to terminate the agreement if we challenge its patents. To the extent that we terminate for convenience or MorphoSys terminates for our material breach, bankruptcy, insolvency or patent challenge, among other things, all licenses and rights granted by MorphoSys to us will automatically terminate and the licenses and rights granted by us to MorphoSys will survive. In the event of such termination, in addition to other obligations, we must grant to MorphoSys an exclusive, royalty-bearing, sublicensable license under certain of our intellectual property relating to the licensed product to exploit MOR210/TJ210 in Greater China and South Korea.

B. Out-Licensing Arrangements

Licensing Agreement with ABL Bio

In July 2018, we entered into a license and collaboration agreement with ABL Bio (the "ABL Bio License"). Under the ABL Bio License, we granted to ABL Bio exclusive, worldwide (excluding Greater China, royalty-bearing rights to develop and commercialize a bispecific antibody (the "BsAb") using certain of our monoclonal antibody sequences. ABL Bio has developed expertise in the area of bispecific antibodies for cancer treatment and has developed proprietary intellectual property around the BsAb technology, and the license allows ABL Bio to further develop and commercialize the BsAb based on monoclonal antibodies licensed from us under the ABL Bio License. ABL Bio granted to us an exclusive, royalty-free, sublicensable license under its interest in the BsAb and related know-how (including improvements thereto) to exploit the licensed BsAb in Greater China.

Under the ABL Bio License, we and ABL Bio each are responsible for using commercially reasonable efforts to develop the licensed products through the completion of in vivo studies, and ABL Bio is responsible for using commercially reasonable efforts thereafter. We agreed to split costs fifty-fifty (50:50) with ABL Bio through the completion of in vivo studies, with ABL Bio responsible for all costs and activities following that time. ABL Bio is responsible for all development and commercialization activities, subject to our input through a joint committee comprised of an equal number of our and ABL Bio's representatives (though ABL Bio has final decision-making authority).

In consideration of the license, ABL Bio paid us an upfront fee of US$2.5 million and agrees to make milestone payments in the aggregate amount of US$97.5 million conditioned upon achieving certain research,

clinical development and sales milestones. Further, ABL Bio agreed to pay us royalties at mid-single-digit percentages in respect of the total annual net sales of the licensed BsAb product.

In addition, ABL Bio granted to us an exclusive, royalty-free, sublicensable license to use its BsAb technology solely to exploit the licensed BsAb product for all indications in Greater China.

We also agreed that, during the term of the ABL Bio License, neither we nor ABL Bio would develop independently from the other a bispecific antibody that uses the same pair of antibodies as the bispecific antibody molecules created under the ABL Bio License.

The ABL Bio License will continue to be in effect until expiration of the last payment obligation thereunder, unless earlier terminated according to its terms. The ABL Bio License may be terminated by either party for the other party's uncured material breach or in the event that the other party challenges its patents. In addition, after a certain specified time period, ABL Bio may terminate the ABL Bio License upon a notice period that varies based upon the stage of development.

Upon expiration (but not termination) of the ABL Bio License, we and ABL Bio will each retain our respective licenses granted under the ABL Bio License. If the ABL Bio License is terminated pursuant to ABL Bio's right to terminate at will or due to ABL Bio's material breach, all rights and obligations (including all licenses granted) shall terminate and upon our request, we and ABL Bio will negotiate in good faith regarding our takeover of the exploitation of the BsAb product outside of Greater China in exchange for reasonable compensation. Such negotiation will include, among other things, ABL Bio's assignment of assets related to the licensed BsAb product and the continuation of the licenses granted to us under the ABL Bio License.

Licensing Agreement with CSPC Entity

In December 2018, we entered into a product development agreement (the "CSPC Agreement") with an entity controlled by CSPC Pharmaceutical Group Limited (01093.HK) ("CSPC entity"). Under the CSPC Agreement, we granted to CSPC entity exclusive, non-transferable, non-irrevocable and sublicensable rights under our patent rights in China to develop and commercialize TJ103 for treating type 2 diabetes mellitus and any other potential therapeutic applications. CSPC entity's right to sublicense is conditioned on our prior written consent, which we cannot unreasonably withhold, other than sublicense to CSPC entity's affiliates. CSPC entity is a comprehensive pharmaceutical and drug manufacturing company, with an increasing focus on its research and development of new products focusing the therapeutic area of oncology, among others.

Under the CSPC Agreement, CSPC entity is responsible for using commercially reasonable efforts to develop, obtain market approval and commercialize the licensed products, while we are responsible for using commercially reasonable efforts to transfer the manufacturing technology of the licensed products to CSPC entity and assist or guide CSPC entity in the continued optimization of such manufacturing technology thereafter. CSPC entity has final decision-making authority with respect to product development (though the research plan shall be jointly developed by both parties and any changes to the plan shall be discussed and approved by the joint development committee) and commercialization.

We also agreed that, during the term of the CSPC Agreement, we shall not develop, either for ourselves or for third parties, any other hyFc platform technology-based long-acting recombinant GLP-1 Fc fusion proteins that may be in a competitive position with TJ103.

In consideration of the license, CSPC entity paid us an upfront fee of RMB15.0 million and agreed to make milestone payments in an aggregate amount of RMB135.0 million conditioned upon achieving certain clinical development and regulatory approval milestones, including completion of Phase 2 and Phase 3 clinical studies and obtaining NDA approval or market approval. Further, we will also be entitled to tiered royalties ranging from mid-single-digit percentages to 10 percent in respect of the total annual net sales of the products after their

commercialization in China. The royalty term shall terminate at the later of: (i) the expiry date of the underlying patents of the licensed products with application numbers 201410851771.1 and 201580071643.8 (final grant of rights requested relating to GLP-1) in China, whichever is later; and (ii) the ten-year anniversary of the initial commercialization of the product developed under the CSPC Agreement. We expect any patents that may issue under the aforementioned patent application numbers 201410851771.1 and 201580071643.8 will expire between 2034 and 2035, before taking into account any extension that may be obtained through patent term extensions or adjustments, or term reduction due to filing of terminal disclaimers.

Unless terminated earlier in accordance with the terms thereof, the CSPC Agreement will remain in effect until the termination of the royalty term. This agreement may be terminated by either party for the other party's uncured material breach, bankruptcy or insolvency or force majeure. We have the right to terminate the agreement if CSPC entity fails to use commercially reasonable efforts to obtain regulatory approvals for commercializing the licensed product in the period stipulated by its board of directors due to its own fault or if CSPC entity ceases to pursue clinical development or product registration as determined by its board of directors. CSPC entity has the right to terminate the agreement if we fail to resolve certain intellectual property disputes relating to TJ103 within six months after signing.

During the term of the CSPC Agreement, CSPC entity shall have exclusive, royalty-free rights in China to any work product generated by us, and be responsible for any patent application and maintenance costs of such work product. CSPC entity shall have all rights to any work product generated by itself under the CSPC Agreement.

Other Out-Licensing Arrangements

In April 2017, our subsidiary I-Mab Shanghai entered into a technology transfer agreement (the "HDYM License") with Ningbo Hou De Yi Min Information Technology Co., Ltd. ("HDYM") and Hangzhou HealSun Biopharm Co., Ltd. ("HealSun") with respect to PD-L1 humanized monoclonal antibodies. HealSun is a portfolio company of Lepu Biotech (乐普生物). Under the HDYM License, I-Mab Shanghai agreed to grant to HDYM exclusive (even to I-Mab Shanghai itself), worldwide and sublicensable rights to develop, manufacture, have manufactured, use, sell, have sold, import, or otherwise exploit certain PD-L1 related patents, patent applications, know-hows, data and information of I-Mab Shanghai, relevant cell lines as well as any PD-L1 monoclonal antibody arising from such cell lines for the treatment of diseases. Further, I-Mab Shanghai and its cooperative party HealSun agreed to provide subsequent research and development services on such intellectual property to HDYM, including the selection and examination of innovative PD-L1 humanized monoclonal antibodies, cultivation and selection of stable cell lines, establishment of cell bank, research and development of manufacturing processes and preparation of samples, toxicological and pharmacological testing, pre-clinical pharmaceutical experiment report drafting, and application for and registration of clinical trials. If any party breaches the agreement and fails to cure, the non-breaching parties may terminate this agreement. In addition, in the event that the development of the licensed product encounters insurmountable technical difficulties, this agreement may be terminated by mutual agreement of all parties. To the extent that the agreement is terminated for HDYM's breach, all licenses and rights granted by us to HDYM will automatically terminate and be re-assigned to us. To the extent that the agreement is terminated due to material difficulty, HDYM will have all rights to dispose of any development data and technology held by HealSun and us under this agreement and neither HealSun or us may use such development data and technology without HDYM's consent.

C. Collaboration Arrangements

Collaboration Agreement with Everest

In January 2018, we entered into a collaboration agreement with Everest whereby both parties agreed to collaborate to co-develop MorphoSys' proprietary CD38 antibody (TJ202 or the CD38 product) and commercialize the CD38 product in Greater China for all indications in hematologic oncology.

Under the agreement, we and Everest established a joint steering committee with equal representation from each party to, among other things, coordinate and oversee the development and commercialization regarding the

CD38 product. All decisions of the joint steering committee shall be made by unanimous vote. We have final decision-making authority on matters related to the development of the CD38 product, provided that Everest has the right to opt out of sharing of development cost increases for new work or clinical trials added to the initial development plan and budget. Everest has final decision-making authority on matters related to the commercialization of the CD38 product.

Under the agreement, we are primarily responsible for using commercially reasonable efforts to carry out the development, manufacture and supply of the CD38 product, and we are also responsible for seeking regulatory approval of the CD38 product. Everest is primarily responsible for sharing with us, by the proportion of 75% for Everest and 25% for us, the development costs of the CD38 product, including payments due to MorphoSys under the License and Collaboration Agreement, dated November 30, 2017, between us and MorphoSys. We are not required to make any upfront, milestone or royalty payments to Everest under this agreement.

The joint steering committee will decide whether we or Everest shall be responsible for conducting the commercialization of the CD38 product pursuant to the commercialization plan approved by the committee. If Everest is selected to be responsible for commercialization, we shall grant an exclusive royalty-free license to Everest to commercialize the CD38 product for all indications in hematologic oncology in Greater China.

We and Everest will share the CD38 product's profit and loss in proportion to the costs that each of us incur in developing the product. The parties will also split out-license revenue according to the proportion of development costs incurred, with us getting an additional five percent (5%) share and Everest receiving five percent (5%) less. Everest cannot share in any profit from the commercialization of CD38 product until it has fulfilled its payment obligations under this agreement.

If we want to develop the CD38 product for indications other than hematologic oncology in Greater China, we must first provide notice of such intent to Everest and, at their election, negotiate with them in good faith regarding such rights.

The agreement shall continue as effective so long as we and Everest continue to develop the CD38 product for any indications in hematologic oncology in Greater China. This agreement may be terminated by either party for the other party's uncured material breach, bankruptcy or insolvency. In addition, if we fail to initiate or conduct any material development activities in relation to any therapeutic, prophylactic or palliative CD38 product for a period of three months (other than as a result of a regulatory requirement), Everest will have the right to terminate this agreement.

Upon any termination of the agreement, the terminating party has the right to continue the development and commercialization of CD38 product. If Everest is the rightful terminating party, we shall reasonably cooperate with Everest to, among other things, (i) assign the MorphoSys license to Everest (subject to the terms and conditions of such license); (ii) grant to Everest an exclusive license to all intellectual property rights we own or control to further develop, manufacture, and commercialize the CD38 product; and (iii) transfer the development, manufacture and commercialization of the CD38 product to Everest, including providing reasonable technical assistance and assigning to Everest any agreement with third party vendors pertaining to the development, manufacture and commercialization of the CD38 product. In addition, the terminating party that elects to continue the development and commercialization of the CD38 product shall be solely responsible for the cost and expense of such development and commercialization after termination. In the event that such continuing party successfully develops and commercializes the CD38 product, it shall pay to the other party a percentage of the product profit and out-license income generated therefrom in accordance with the terms of this agreement.

Other Collaboration Arrangements

In July 2018, we entered into a collaboration agreement with ABL Bio whereby both parties agreed to collaborate to develop three PD-L1-based bispecific antibodies by using ABL Bio's proprietary BsAb technology

and commercialize them in their respective territories, which, collectively, include the PRC, Hong Kong, Macau, Taiwan and South Korea, and other territories throughout the rest of the world if both parties agree to do so in such other territories during the performance of the agreement. This agreement may be terminated by either party for the other party's uncured material breach or in the event that the other party challenges its patents. Also, if a party encounters insurmountable technical difficulties and risks, which cannot be resolved by such party within a certain period thereafter despite all reasonable efforts, such party will have the right to terminate this agreement and will no longer have the right to develop the licensed product. As of the date of this prospectus, ABL Bio has not made any upfront, milestone or royalty payments to us.

In September 2018, we entered into a collaboration and platform technology license agreement with WuXi Biologics Ireland Limited ("WuXi Biologics"), whereby both parties agreed to collaborate in the research and development of at least three bispecific antibodies for our company to commercialize them worldwide. Such bispecific antibodies shall be created using our proprietary monoclonal antibodies and WuXi Biologics' proprietary WuXiBody platform technology for generating bispecific antibodies, shall be developed and manufactured through the exclusive service of WuXi Biologics. This agreement may be terminated by either party for the other party's uncured material breach, bankruptcy or insolvency. WuXi Biologics has the right to terminate this agreement if we challenge its patents. We have the right to terminate this agreement if we decide to end the development and commercialization of the licensed product in the licensed territory due to scientific, technical, or commercial reasons. As of the date of this prospectus, we have made an up-front payment of US$0.9 million to Wuxi Biologics and no milestone payments or royalties are due under this agreement. In April 2019, we extended our existing partnership with WuXi Biologics (Shanghai) Co., Ltd. ("WuXi Biologics Shanghai"). We entered into a long-term, strategic collaboration agreement with WuXi Biologics Shanghai to facilitate the CMC development and GMP manufacturing of both clinical and commercial supplies of certain of our monoclonal and bispecific antibodies and fusion products, leveraging WuXi Biologics' and its affiliates' expertise in this area and supporting our pre-existing collaboration and platform technology license agreement with WuXi Biologics.

In November 2018, we entered into collaboration agreements with TRACON Pharmaceuticals, Inc. ("TRACON"), whereby we and TRACON agreed to (1) collaborate to co-develop our proprietary CD73 antibody, TJD5 and (2) collaborate to co-develop up to five BsAbs. Both agreements may be terminated by either party for the other party's uncured material breach, bankruptcy or insolvency or for safety reasons. In addition, the agreement in respect of TJD5 may be terminated by us: (i) for convenience within a certain period upon completing different clinical stages subject to certain payments and royalties, based on the clinical stage, that would be owed to TRACON upon the exercise of such termination for convenience; (ii) in the event that TRACON causes the Phase 1 study timeline to be delayed beyond the agreed extension periods; or (iii) if we decide to end the development of the collaborative product prior to its first commercial sale. Further, prior to the first commercial sale, TRACON may deem this agreement to be terminated by us if it reasonably believes that we have discontinued all meaningful development of the collaborative product for at least 12 months and certain other conditions are met. As of the date of this prospectus, no payments or royalties are due under this agreement. Additionally, in March 2019, we agreed with TRACON and F. Hoffmann-La Roche Ltd ("Roche") on a clinical supply agreement for Roche to supply Atezolizumab for use in clinical studies under the collaboration agreement with TRACON.

Intellectual Property

Our success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for our drug candidates and other commercially important products, technologies, inventions and know-how, as well as on our ability to defend and enforce our patents including any patent that we have or may issue from our patent applications, preserve the confidentiality of our trade secrets and operate without infringing the valid and enforceable patents and proprietary rights of other parties.

As of July 15, 2019, our owned patent portfolio consist of (i) five issued patents, including two issued in the U.S., one issued in the PRC and two issued in Korea; and (ii) 127 pending patent applications, including 15 PCT patent applications, seven U.S. patent applications, ten PRC patent applications and 95 patent applications in

other jurisdictions. Our owned patents and patent applications primarily relate to the drug candidates in our Global Portfolio. Furthermore, as of July 15, 2019, we in-licensed the Greater China rights relating to (i) 19 issued patents, including 12 issued in the PRC, five issued in Hong Kong and two issued in Taiwan; and (ii) 25 pending patent applications, including three PCT patent applications, 11 PRC patent applications, seven Hong Kong patent applications, three Taiwan patent applications and one Korean patent application. The in-licensed patents and patent applications primarily relate to TJ202, TJ101, TJ301, enoblituzumab and TJ107.

TJ202	As of July 15, 2019, we exclusively licensed from MorphoSys eight issued patents (including five issued in the PRC, two issued in Hong Kong and one issued in Taiwan) and six pending patent applications (including three in the PRC and three in Hong Kong) relating to TJ202. The licensed patents include composition of matter patents in China, Hong Kong and Taiwan. The patents (including patent applications if issued) in this portfolio are expected to expire between 2025 and 2037, before taking into account any extension that may be obtained through patent term extension or adjustment, or term reduction due to filing of terminal disclaimers.
TJ101	As of July 15, 2019, we (i) exclusively licensed from Genexine two pending PRC patent applications directly relating to TJ101 and (ii) exclusively licensed from Genexine three issued patents in the PRC and one pending PRC patent application relating to a hyFc platform that develops TJ101. The licensed patents include composition of matter patents in China. The patents (including patent applications if issued) in this portfolio are expected to expire between 2028 and 2037, before taking into account any extension that may be obtained through patent term extension or adjustment, or term reduction due to filing of terminal disclaimers.
TJ301	As of July 15, 2019, we exclusively licensed from Ferring one issued patent in the PRC relating to TJ301. The licensed patent relates to composition of matter. This patent is expected to expire in 2027, before taking into account any extension that may be obtained through patent term extension or adjustment, or term reduction due to filing of terminal disclaimers.
Enoblituzumab	As of July 15, 2019, we exclusively licensed from MacroGenics six issued patents (including two issued in the PRC, three issued in Hong Kong and one issued in Taiwan) and eight pending patent applications (including two in the PRC, four in Hong Kong and two in Taiwan) relating to enoblituzumab. The patents (including patent applications if issued) in this portfolio are expected to expire between 2023 and 2036, before taking into account any extension that may be obtained through patent term extension or adjustment, or term reduction due to filing of terminal disclaimers.
TJ107	As of July 15, 2019, we (i) exclusively licensed from Genexine one pending PRC patent application directly relating to TJ107 and (ii) exclusively license from Genexine three issued patents in the PRC and one pending PRC patent application relating to a hyFc platform that develops TJ107. The patents (including patent applications if issued) in this portfolio are expected to expire between 2028 and 2036, before taking into account any extension that may be obtained through patent term extension or adjustment, or term reduction due to filing of terminal disclaimers.
TJM2	As of July 15, 2019, we owned one pending PCT patent application that relates to TJM2 and it has entered national phases in China, the United States and 22 other jurisdictions. We expect that any patent that may issue under this application will expire in 2037, before taking into account any extension that may be obtained through patent term extension or adjustment, or term reduction due to filing of terminal disclaimers.
TJC4	As of July 15, 2019, we owned two pending PCT patent applications and one of them has entered national phases in the PRC, the United States and 21 other jurisdictions. We expect

	that any patents that may issue under these applications will expire between 2037 and 2038, before taking into account any extension that may be obtained through patent term extension or adjustment, or term reduction due to filing of terminal disclaimers.
TJD5	We owned one pending PCT patent application and it has entered national phases in the PRC, the United States, and 18 other jurisdictions. We expect that any patent that may issue under this application will expire in 2038, before taking into account any extension that may be obtained through patent term extension or adjustment, or term reduction due to filing of terminal disclaimers.

The term of a patent depends upon the laws of the country in which it is issued. In most jurisdictions, a patent term is 20 years from the earliest filing date of a non-provisional patent application. Under the PRC Patent Law, the term of patent protection starts from the date of application. Patents relating to inventions are effective for twenty years, and utility models and designs are effective for ten years from the date of application. There are no patent term adjustments or patent term extensions available in the PRC for issued patents.

In addition to patents, we rely upon unpatented trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. However, trade secrets and know-how can be difficult to protect. We seek to protect our proprietary information, in part, by executing confidentiality agreements with our partners, collaborators, scientific advisors, employees, consultants and other third parties, and invention assignment agreements with our consultants and employees. We have also executed agreements requiring assignment of inventions with selected scientific advisors and collaborators. The confidentiality agreements we enter into are designed to protect our proprietary information and the agreements or clauses requiring assignment of inventions to us are designed to grant us ownership of technologies that are developed through our relationship with the respective counterparty. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes or that these agreements will afford us adequate protection of our intellectual property and proprietary information rights. If any of the partners, collaborators, scientific advisors, employees and consultants who are parties to these agreements breaches or violates the terms of any of these agreements or otherwise discloses our proprietary information, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets as a result.

Additionally, as of July 15, 2019, we had (i) three registered trademarks in Hong Kong and 13 trademark applications in the PRC and two trademark applications in the United States; (ii) nine domain names in the PRC, including *www.i-mabbiopharma.com*, four domain names in Hong Kong and two domain names in the United States and (iii) 12 software copyrights in the PRC.

For more information on these and other risks related to intellectual property, see “Risk Factors—Risks Related to Our Intellectual Property.”

Manufacturing and Supply

Our manufacturing strategy for our drug candidates consists of two progressive steps, involving (i) using contract development and manufacturing organizations (“CDMOs”) and (ii) establishing our own capabilities and infrastructure, including a manufacturing facility. We believe that development of our own manufacturing facility will provide us with enhanced control of material supply for both clinical trials and the commercial market, enable the more rapid implementation of process changes and help us achieve better long-term margins.

We currently outsource the manufacturing of clinical trial material for our internally developed, IND enabling projects to leading CDMOs in China such as WuXi Biologics, and the manufacturing of clinical trial material for clinical stage projects which were in-licensed from our global partners to reputable global CDMOs, which have established track records for both clinical trial material supply and commercial material supply. We

have assembled a seasoned internal team with deep experience in this area to drive and monitor this process. For contingency planning purposes, we have also established relationships with other CDMOs. We expect to continue our outsourcing relationships with contract manufacturers to meet the ongoing needs for the development of our drug candidates. We have framework agreements with these external service providers, under which they provide services to us on a project-by-project basis. We also monitor the manufacturing activities of clinical trial material at CDMO to ensure the compliance with local and international cGMP and applicable regulations. Currently, our contract manufacturers obtain raw materials and supplies for the manufacturing activities from multiple suppliers who we believe have sufficient capacity to meet our demands. We typically order materials and services on a purchase order basis. We also enter into long-term capacity or minimum supply arrangements with them.

We believe it is advantageous that we own and control our GMP manufacturing process in order to ensure quality and secure production slots for clinical trial materials and commercial supplies. We plan to commence the construction of our own state-of-the-art biologics manufacturing facility in Hangzhou, China by the end of 2019. At this manufacturing facility, we plan to produce drug substance and drug product for clinical or, in the future, commercial use. We expect this facility to include a pilot GMP manufacturing plant with two 500-liter and two 2,000-liter single use bioreactors, and upon completion of the construction, a commercial scale manufacturing plant with eight more 2,000-liter single use bioreactors with filling and finishing lines.

Manufacturing is subject to extensive regulations governing quality management systems, manufacturing processes and controls, personnel training, and operating procedures. The CDMOs will be required to operate under cGMP conditions. These cGMP conditions are regulatory requirements for the production of pharmaceuticals for human use.

R&D Governance

We have established robust governance regime for all stages of our research and development activities, through our internal discovery, CMC, pre-clinical and clinical development programs, and through product acquisition and in-licensing strategies. The research and development governance regime has enabled our senior management to continuously oversee and monitor our company's research and development activities for complying with applicable laws, regulations, rules, guidelines and internal policies. The research and development governance regime has been put in practice and has operated independently of the Chief Executive Officer's responsibilities.

We have established various governance and decision-making committees, composed of senior representatives from the respective functional units to review, discuss and determine, for instance, whether a drug candidate molecule is qualified to move forward into the next stage or not, what data package is considered appropriate and compliant to be submitted to regulatory agencies and how clinical safety of our investigational drugs will be monitored and reported. These committees make decisions over the critical "checkpoints" of our research and development activities and include our (i) Science Committee, (ii) IND Scientific Advisory Committee, (iii) R&D Project/Program/Portfolio Governance, (iv) Medical Safety Council, (v) Safety Management Team, and (vi) Quality Committees.

Science Committee for Early Stage Research of Drug Candidates

Our Science Committee is composed of selected functional heads and members of the leadership, chaired by Dr. Taylor B. Guo. The Science Committee will collaborate with the management team to enhance our company's research practices and assist management in evaluating scientific aspects of potential in-licensing opportunities, collaborations and new technologies that may bolster our pipeline and research and development capabilities. The Science Committee's responsibilities include:

- approving the target review package submitted by our discovery group;

- providing governance on the quality and integrity of drug candidates, before entering into CMC process development;
- examining the experimental data and scientific evidence supporting the drug candidate;
- reviewing and making recommendations on our company's resource allocation in further development; and
- setting the direction for scientific and technical review of potential in-licensing opportunities.

Furthermore, our Corporate Compliance Function led by Mr. Thomas Song has taken a number of steps to review the integrity and reliability of the experimental data submitted with the selected drug candidate. The design, operation and monitoring of this data integrity program is integral to our quality control and assurance system, and is independent with respect to our research and development unit and Science Committee, to ensure the compliance with the principles of scientific data integrity, including controls over changes to, and deletions of source of data.

IND Scientific Advisory Committee for Drug Candidates Entering into Clinical Development Stage

Our IND Scientific Advisory Committee is composed of Dr. Joan Huaqiong Shen, Dr. Zheru Zhang, Dr. Jane Meng and Rebecca Zhang. The IND Scientific Advisory Committee is accountable for our IND application strategy and the data quality of our IND registration dossier before submission to the FDA, the NMPA and other comparable authorities. Our IND Scientific Advisory Committee advises the project team on policy matters and provides overall direction of new drug studies, and to that extent serves as a standing modality committee.

R&D Project/Program/Portfolio Governance ("IP3 Governance")

Our IP3 Governance is composed of Dr. Jingwu Zhang Zang, Dr. Joan Huaqiong Shen, Dr. Zheru Zhang, Dr. Chao Zhang, with Dr. Jingwu Zhang Zang serving as the chair. Our IP3 Governance is a decision-making body that assesses and approves research and development portfolio strategy and execution proposals from a multi-discipline perspective, with an integrated approach incorporating scientific, clinical and commercial considerations. Our IP3 Governance aims to ensure that the project, program and/or portfolio-related decisions are logical, robust and repeatable and that our investments in research and development activities is aligned with our vision and strategy. The IP3 Governance responsibilities include:

- reviewing and determining the in-licensing and out-licensing strategic plan;
- performing reviews on critical research and development stage gates, including clinical asset selection, GLP pharmacology and toxicology studies, FIH studies, clinical development and regulatory submission; and
- reviewing product development strategy and monitoring project timeline and costs.

Medical Safety Council ("MSC")

Our MSC is composed of selected research and development functional heads and Subject Matter Experts, chaired by Yuan Meng. Our MSC is the highest medical safety governance body engaged in setting standards for protecting the medical safety of patients and users of our products, and providing strategic direction in product vigilance and patient or user safety. The MSC's responsibilities include:

- establishing standards and policies, and identifying best practices related to medical safety;
- providing oversight of all medical safety relevant activities, and overseeing the implementation of our company's medical safety standard, as well as the outcomes of the periodic audits;

- addressing safety information that could result in a significant change in the benefit-risk profile of our products; and
- reviewing and approving FIH studies and any other issues with respect to the safety of human exposure during early development stage.

Safety Management Teams ("SMT") for Product-Related Safety System

Our SMT is composed of representatives from each research and development function, chaired by Yuan Meng. The SMT is a product-based, cross-functional collaborative team responsible for the review, assessment, and evaluation of medical safety data arising from any source throughout the product lifecycle. Our SMT performs assessments to identify changes in safety profiles or potential safety signals. Based on these safety evaluations, the SMT will determine the appropriate safety-related actions to be taken with respect to the product based on its benefit-risk profile for subjects in clinical trials and for patients treated with the marketed product.

Our SMT works closely with and escalates safety issues, as appropriate, to the MSC to fulfill our medical safety obligations. Our SMT is responsible for reviewing available safety information from multiple sources on a regular basis and make final decisions on safety in a timely manner with appropriate cross-functional input.

Quality Committees

We have formed two Quality Committees, namely, I-Mab Biopharma Quality Management Review and R&D Quality Council.

I-Mab Biopharma Quality Management Review ("I-Mab QMR") is composed of Dr. Joan Huaqiong Shen, Dr. Zheru Zhang, Yuan Meng, Thomas Song and Rebecca Zhang, co-chaired by R&D Quality Assurance officer Niri Wu and CMC Quality Assurance officer Jack Qin. I-Mab QMR is a company-level cross-functional senior leadership meeting to provide management oversight of our company's Quality Management System ("QMS") and the compliance status of our company's regulated activities with applicable laws, regulations, policies and procedures, focusing on R&D and CMC GXP activities. To ensure our Corporate Quality Plan is set, key QMS elements are established and maintained, quality requirements are met, and trends, changes and risks are identified and addressed proactively.

R&D Quality Council is composed of representatives from each research and development function, chaired by Dr. Joan Huaqiong Shen. R&D Quality Council is a governance body that oversees the performance of the QMS and serves as the final decision-making body for critical quality issues that affect subject and patient safety, data integrity and compliance with global and local regulatory authorities. The QMS encompasses the structure, responsibilities and procedures that enable the organization to identify, measure, control and enhance core regulated processes and activities.

Code of Conduct

We have adopted a Code of Conduct that is applicable to many aspects of our business operation, such as business ethics, responsible research and development activities, IP and data protection, workplace ethics and other corporate governance topics, as well as implementing high ethical standards that are mandatory for our employees. In addition, we have adopted an employee handbook which describes the compliance management system implemented at I-Mab to ensure compliance with applicable legal and regulatory requirements.

Quality Control and Assurance

In addition to the research and development governance regime described above, we have established an independent quality control and assurance system and devote significant attention to quality control for the

designing, manufacturing and testing of our drug candidates. Our Assurance Board is composed of Dr. Joan Huaqiong Shen, Dr. Zheru Zhang and Thomas Song. Our senior management is firmly committed to delivering our quality performance, actively involved in allocating sufficient resources to quality management system and setting quality governance mechanism.

For pre-clinical and clinical trials, the overall quality management outlines the implementation of our business policies and procedures in order to consistently comply with the regulatory requirements, including Good Laboratory Practices, or GLP; Good Clinical Practices, or GCP; Good Pharmacovigilance Practice, or GVP and other applicable regulatory requirements in the performance of the trials. This includes:

- predefined policies and procedures to manage pre-clinical and clinical studies;
- dedicated resources and personnel with well delineated roles and responsibilities;
- quality risk management across the product lifecycle;
- continuous quality management system improvement;
- non-conformance management via quality issue management process;
- development and execution of quality audit program; and
- regulatory inspection readiness.

For CMC, we have established a quality management system to oversee the process development and API and drug production at the CDMOs. This system takes a holistic approach bringing senior management, quality assurance team and company policies together to create an efficient and agile quality culture. Our CMC quality commitment includes, but not limited to:

- ensure that the product manufacturing, releasing, packaging, storage, and shipment meets all specifications and the requirements of the FDA and/or NMPA's quality system regulations, cGMP or other applicable laws and regulations;
- review of process deviations and changes, root cause analysis, impact assessment, corrective and preventative actions, and validation;
- ensure the consistency of key quality practices with our CDMOs;
- proactive quality system review based on audits, process data analysis, equipment condition, and periodic review of internal and external sources of data; and
- assessment of regulatory guidance and ensure readiness for regulatory inspections.

Employees

We had 59, 134 and 160 employees as of December 31, 2017 and 2018 and June 30, 2019, respectively. As of June 30, 2019, 149 employees were located in China and 11 were located outside China. The table below sets forth our employees by function as of June 30, 2019:

	Number
Management	7
Research and development	85
Chemistry, manufacturing and controls	34
Operations	18
Finance	8
Compliance	1
Business and corporate development	7
Total	160

We recruit our employees primarily through recruitment websites, recruiters, internal referrals and job fairs. We recruit our employees based on their qualification and potential. We promote culture diversity, and our employees come from the United States, Taiwan and South Korea, in addition to China. The remuneration package of our employees includes salary, benefits and bonus. Our compensation programs are designed to remunerate our employees based on their performance, measured against specified objective criteria. We are required to make contributions to social insurance and housing provident funds in accordance with PRC laws and regulations from time to time.

We provide new hire training to our employees and periodic on-the-job training to enhance the skills and knowledge of our employees. We have not established a labor union. We have not experienced any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

We enter into standard confidentiality and employment agreements with our key management and research staff. The contracts with our key personnel typically include a standard non-compete agreement that prohibits the employee from competing with us, directly or indirectly, during his or her employment and for one year after the termination of his or her employment. The contracts also typically include undertakings regarding assignment of innovations and discoveries made during the course of his or her employment. For further details regarding the terms of confidentiality and employment agreements with our key management, see “Management.”

Facilities

Our headquarter is located in Shanghai, China, where we lease and occupy approximately 2,479 square meters as office space and laboratories. We currently lease approximately 235 square meters of office space in Beijing, approximately 54 square meters of office space in Tianjin, approximately 49 square meters of office space in Chengdu, approximately 105 square meters of office space and laboratories in Hong Kong, and approximately 441 square meters of office space and laboratories in Maryland. The terms of these leases range from one year to five years.

Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Internal Control and Risk Management

We have implemented various risk management policies and measures to identify, assess and manage risks arising from our operations. In addition, we have codified risk categories identified by our management, internal and external reporting mechanisms, remedial measures and contingency management as part of our policies. For details on major risks identified by our management, see “Risk Factors” in this prospectus.

To monitor the ongoing implementation of our risk management policies and corporate governance measures following this offering, we have adopted or will adopt, among other things, the following risk management and internal control measures:

- the establishment of an audit committee responsible for overseeing our financial records, internal control procedures and risk management systems. See “Management—Committees of the Board of Directors” in this prospectus for information of our audit committee members and detailed description of the responsibility of our audit committee; and

- the engagement of external legal advisors to advise us on compliance with relevant regulatory requirements and applicable laws to which we will be subject to as a public company, where necessary.

Further, we have adopted or will adopt before this offering, various internal regulations against corrupt and fraudulent activities, including measures against bribery and the misuse of company assets. Key measures and procedures to implement such regulations include:

- authorizing our compliance department to assume responsibility for our anti-corruption and anti-fraud measures, including handling complaints, conducting internal investigations and ensuring protection for whistleblowers;
- providing anti-corruption compliance training to our senior management and employees on a periodic basis to enhance their knowledge and compliance with applicable laws and regulations, including relevant policies and prohibitions against non-compliance set out in our employee handbook; and
- evaluating and undertaking rectification measures with respect to any identified corrupt or fraudulent activity, including proposing and establishing preventative measures to avoid future non-compliance.

We will continue to implement and enforce these measures and procedures to ensure ongoing compliance with all applicable laws and regulations, including the prevention of our employees from engaging in corruption, bribery or other improper conduct. During the periods presented, we were not subject to any government investigation or litigation with respect to claims or allegations relating to monetary and non-monetary bribery activities.

We have also designated responsible personnel to monitor our ongoing compliance with relevant laws and regulations that govern our business operations, and to oversee the implementation of any necessary measures. Meanwhile, we plan to provide our directors, senior management and relevant employees with continuing training programs and updates regarding relevant laws and regulations on a regular basis, with a view to proactively identifying concerns or issues relating to any potential non-compliance.

REGULATION

PRC Regulation

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section summarizes the principal PRC laws, rules and regulations that we believe are relevant to our business and operations.

Regulations on Company Establishment and Foreign Investment

Company Law

The establishment, operation and management of companies in China is governed by the PRC Company Law, which was passed by the Standing Committee of the National People's Congress (the "NPC"), on December 29, 1993 and came into effect on July 1, 1994 and was latest revised or amended on October 26, 2018, respectively. In light of the PRC Company Law, companies established in the PRC are either in the form of a limited liability company or a joint stock company. The PRC Company Law applies to both PRC domestic companies and foreign-invested companies, unless otherwise provided in the relevant foreign investment laws and regulations.

Foreign Investment Law

On March 15, 2019, the NPC approved the PRC Foreign Investment Law, which will become effective on January 1, 2020 and replace the three existing laws on foreign investment in China, namely, the PRC Equity Joint Venture Law, the PRC Cooperation Joint Venture Law and the Wholly Foreign-Owned Enterprise Law, together with their implementation rules and ancillary regulations. The Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic invested enterprises in China. The Foreign Investment Law establishes the basic framework for the access to, and the promotion, protection and administration of foreign investments in view of investment protection and fair competition. According to the Foreign Investment Law, "foreign investment" refer to investment activities directly or indirectly conducted by one or more natural persons, business entities, or other organizations of a foreign country (collectively referred to as "foreign investor") within China, and "investment activities" include the following activities: (i) a foreign investor, individually or together with other investors, establishes a foreign-invested enterprise within China; (ii) a foreign investor acquires stock shares, equity shares, shares in assets, or other similar rights and interests of an enterprise within China; (iii) a foreign investor, individually or together with other investors, invests in a new construction project within China; and (iv) investments in other means as provided by the laws, administrative regulations or the State Council.

Regulations Relating to Foreign Investment

During the interim period before the Foreign Investment Law becomes effective, investments in the PRC by foreign investors, particularly the establishment procedures, examination and approval procedures, registered capital, foreign exchange, taxation and labor matters of a wholly foreign-owned enterprise, are subject to the Wholly Foreign-Owned Enterprise Law of the PRC promulgated on April 12, 1986 and amended on October 31, 2000 and September 3, 2016, respectively, the Detailed Implementing Rules for the Wholly Foreign-Owned Enterprise Law of the People's Republic China promulgated on December 12, 1990 and amended on April 12, 2001 and February 19, 2014, respectively.

Furthermore, PRC-based investments by foreign investors shall also be regulated by the Catalogue for the Guidance of Foreign Investment Industries (2017 Revision) issued on June 28, 2017 and effective from July 28, 2017, and the Special Management Measures (Negative List) for the Access of Foreign Investment (2018) issued on June 28, 2018 and effective from July 28, 2018. According to the aforesaid catalogue and management

measures, foreign-invested industries fall into four categories, namely, “encouraged,” “permitted,” “restricted” and “prohibited,” and certain ownership requirements, requirements for senior executives and other special management measures shall apply to foreign investors with regard to the access of foreign investments in certain categories. The Special Management Measures (Negative List) for the Access of Foreign Investment (2019) and the Catalogue of Industries for Encouraging Foreign Investment (2019 Version), which became effective on July 30, 2019, further reduce restrictions on the foreign investment and replaced the Special Management Measures (Negative List) for the Access of Foreign Investment (2018).

Pursuant to the Interim Administrative Measures for the Record-filing of the Incorporation and Change of Foreign-invested Enterprises, foreign-invested enterprises investing in categories not subject to the special management measures are only required to complete an online registration of their incorporation and any changes with the Ministry of Commerce (the “MOFCOM”), or its local counterparts.

M&A Rules

According to the Provisions on the Merger or Acquisition of Domestic Enterprises by Foreign Investors jointly issued by the MOFCOM, the State Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation (the “SAT”), the State Administration for Industry and Commerce (now known as the State Administration for Market Regulation), the China Securities Regulatory Commission and the State Administration of Foreign Exchange (the “SAFE”), on August 8, 2006 and amended by the MOFCOM on June 22, 2009, among other things, (i) the purchase of an equity interest or subscription to the increase in the registered capital of non-foreign-invested enterprises, (ii) the establishment of foreign-invested enterprises to purchase and operate the assets of non-foreign-invested enterprises, or (iii) the purchase of the assets of non-foreign-invested enterprises and the use of such assets to establish foreign-invested enterprises to operate such assets, in each case, by foreign investors shall be subject to the Provisions on the Merger or Acquisition of Domestic Enterprises by Foreign Investors. Particularly, application shall be made for examination and approval of the acquisition of any company in China affiliating to a domestic company, enterprise or natural person, which is made in the name of an oversea company established or controlled by such domestic company, enterprise or natural person.

PRC Drug Regulation

The Drug Administration Law of the PRC promulgated by the Standing Committee of the NPC on September 20, 1984 and effective from July 1, 1985 and amended on February 28, 2001, December 28, 2013 and April 24, 2015, respectively, and the Implementing Measures of the Drug Administration Law promulgated by the State Council on August 4, 2002 and effective from September 15, 2002 and amended on February 6, 2016 and March 2, 2019, respectively, have jointly established the legal framework for the administration of pharmaceutical products in China, including the research, development and manufacturing of new drugs. The Drug Administration Law applies to entities and individuals engaged in the development, production, trade, application, supervision and administration of pharmaceutical products, which regulates and provides for a framework for the administration of pharmaceutical manufacturers, pharmaceutical trading companies and medicinal preparations of medical institutions, and the development, research, manufacturing, distribution, packaging, pricing and advertisements of pharmaceutical products. The Implementing Measures of the Drug Administration Law, on the other hand, provides detailed implementation regulations for the Drug Administration Law.

On August 26, 2019, the Standing Committee of the NPC promulgated the amended Drug Administration Law, which will become effective on December 1, 2019. The amendment will bring a series of changes to the drug supervision and administration system, including but not limited to the clarification of the drug marketing authorization holder system, pursuant to which the marketing authorization holder shall assume responsibilities for non-clinical studies, clinical trials, manufacturing and marketing, post-marketing studies, monitoring, reporting and handling of adverse reactions of the drug. The amendment also stipulates that the State supports the

innovation of drugs with clinical value and specific or special effects on human diseases, encourages the development of drugs with new therapeutic mechanisms and have multi-targeted, systematic regulatory and intervention functions on human body and promotes the technological advancement of drugs.

We are required to follow the above-mentioned regulations in respect of our non-clinical research, clinical trials and production of new drugs.

Regulatory Authorities and Recent Government Reorganization

Pharmaceutical products and medical devices and equipment in China are monitored and supervised on a national scale by the NMPA (formerly known as the China Food and Drug Administration, or the "CFDA"), while the local provincial medical products administrative authorities are responsible for the supervision and administration of drugs within their respective administrative regions. Pursuant to the Decision of the First Session of the Thirteenth National People's Congress on the State Council Institutional Reform Proposal made by the NPC on March 17, 2018, the NMPA is no longer an independent agency and its duties shall be performed by the newly established State Administration for Market Regulation, into which the various agencies responsible for, among other areas, consumer protection, advertising, anticorruption, pricing, fair competition and intellectual property, have been merged.

The NMPA is still the chief drug regulatory agency and implements the same laws, regulations, rules, and guidelines as the CFDA, and the NMPA regulates almost all of the key stages of the life cycle of pharmaceutical products, including non-clinical studies, clinical trials, marketing approvals, manufacturing, advertising and promotion, distribution, and pharmacovigilance (i.e., post-marketing safety reporting obligations). The Center for Drug Evaluation (the "CDE"), which remains under the NMPA, conducts the technical evaluation of each drug and biologic application for safety and effectiveness.

Formed on March 2018, the National Health Commission (the "NHC") (formerly known as the Ministry of Health ("MOH") and the National Health and Family Planning Commission ("NHFPC")) is China's chief healthcare regulator. It is primarily responsible for overseeing the operation of medical institutions, which also serve as clinical trial sites, and regulating the licensure of hospitals and medical personnel. The NHC plays a significant role in drug reimbursement. Furthermore, the NHC and its local counterparts at or below provincial-level local governments also oversee and organize public medical institutions' centralized bidding and procurement process for pharmaceutical products, which is the chief means through which public hospitals and their internal pharmacies acquire drugs.

Also, as part of its 2018 reorganization, the PRC government formed a new State Medical Insurance Bureau (the "SMIB"), which focuses on regulating reimbursement under the state-sponsored insurance plans.

Non-Clinical Research

On August 4, 2003, the NMPA promulgated the Administrative Measures for Good Laboratories Practice of Non-clinical Laboratory, which was revised on July 27, 2017, to improve the quality of non-clinical research, and began to conduct the Good Laboratories Practice. Pursuant to the Circular on Administrative Measures for Certification of Good Laboratory Practice for Non-clinical Laboratory issued by the NMPA on April 16, 2007, the NMPA is responsible for the certification of non-clinical research institutions nationwide and local provincial medical products administrative authorities is in charge of the daily supervision of non-clinical research institution. The NMPA decides whether an institution is qualified for undertaking pharmaceutical non-clinical research by evaluating such institution's organizational administration, its research personnel, its equipment and facilities, and its operation and management of non-clinical pharmaceutical projects. A Good Laboratory Practice Certification will be issued by the NMPA if all the relevant requirements are satisfied, which will also be published on the NMPA's website.

Pursuant to the Regulations for the Administration of Affairs Concerning Experimental Animals promulgated by the State Science and Technology Commission on November 14, 1988 and amended on January 8, 2011, July 18, 2013 and March 1, 2017, respectively, by the State Council, the Administrative Measures on Good Practice of Experimental Animals jointly promulgated by the State Science and Technology Commission and the State Bureau of Quality and Technical Supervision on December 11, 1997, and the Administrative Measures on the Certificate for Experimental Animals (Trial) promulgated by the State Science and Technology Commission and other regulatory authorities on December 5, 2001, a Certificate for Use of Laboratory Animals is required for performing experimentation on animals. Applicants must satisfy the following conditions:

- Laboratory animals must be qualified and sourced from institutions that have Certificates for Production of Laboratory Animals;
- The environment and facilities for the animals' living and propagating must meet national requirements;
- The animals' feed and water must meet national requirements;
- The animals' feeding and experimentation must be conducted by professionals, specialized and skilled workers, or other trained personnel;
- The management systems must be effective and efficient; and
- The applicable entity must follow other requirements as stipulated by Chinese laws and regulations.

Pre-clinical and Clinical Development

The NMPA requires supporting pre-clinical data for the registration applications for imported and domestic drugs. Pre-clinical work, including pharmacology and toxicology studies, must satisfy the requirements of the Administrative Measures for Good Laboratories Practice of Non-clinical Laboratory. No approval is required from the NMPA to conduct pre-clinical studies.

Clinical Trials and Registration of New Drugs

Categories

Pursuant to the Administrative Measures for Drug Registration promulgated by the NMPA on July 10, 2007 and effective from October 1, 2007, which provides the standards and requirements for clinical trials and drug registration applications, drug registration applications are divided into three different types, namely, New Drug Application, Generic Drug Application, and Imported Drug Application. Drugs are categorized based on their working mechanism, including chemical medicine, biological product or traditional Chinese or natural medicine. As provided in the Administrative Measures for Drug Registration, the Drug Administration Law and Implementing Measures of the Drug Administration Law, upon completion of non-clinical research, clinical trials shall be conducted for the application of new drug registration, upon approval from NMPA or authorized institutions.

Prior to engaging with the NMPA on research and development approval, an applicant shall determine the registration category for its drug candidate (subject to ultimate confirmation by the NMPA), which will determine the requirements for its clinical trial and marketing application. There are five categories for small molecule drugs: Category 1 ("innovative drugs") refers to drugs with a new chemical entity that have not been marketed anywhere in the world; Category 2 ("improved new drugs") refers to drugs with a new indication, dosage form, route of administration, combination, or certain formulation changes not previously approved anywhere in the world; Categories 3 and 4 refer to generic drugs that reference an innovator drug (or certain well-known generic drugs) marketed either abroad or in China, respectively; and Category 5 refers to innovative or generic drugs that have already been marketed abroad but are not yet approved in China (i.e., various imported drugs).

Approval

All clinical trials conducted in China must be approved and conducted at hospitals accredited by the NMPA. For imported drugs, proof of foreign approval is required prior to the trial, unless the drug has never been approved anywhere in the world. In addition to a standalone trial in China, imported drug applicants may establish a site in China as part of an international multi-center trial (the "IMCT") at the outset of the global trial. Domestically manufactured drugs are not subject to foreign approval requirements, and by contrast to prior practice, the NMPA has recently decided to also permit such drugs to be tested and developed through an IMCT.

In addition, the NMPA has adopted a notification system for clinical trials of new drugs. Pursuant to the Opinions on Deepening the Reform of the Evaluation and Approval Systems and Encouraging Innovation on Drugs and Medical Devices (the "Innovation Opinion") and the Announcement on Adjusting the Evaluation and Approval Procedure of Drug Clinical Trial, clinical trials may be commenced as long as the applicant has not received any objections from the CDE within 60 business days of application filing, as opposed to the lengthier prior clinical trial pre-approval process, in which an affirmative approval from the NMPA must be obtained to commence clinical trials. The number of trial sites in China may increase due to the shortening of the accreditation timeline resulting from the replacement of the pre-approval procedure with the notification procedure.

Drug Clinical Trial Registration

Pursuant to the Administrative Measures for Drug Registration, upon obtaining the clinical trial approval and before commencing a clinical trial, the applicant shall file a registration with the NMPA containing various details of the clinical trial, including the clinical study protocol, the name of the principal researcher of the leading institution, names of participating institutions and researchers, an approval letter from the ethics committee, and a sample of the Informed Consent Form, with a copy sent to the competent provincial administration departments where the trial institutions will be located. On September 6, 2013, the NMPA released the Announcement on Drug Clinical Trial Information Platform, providing that for all clinical trials approved by the NMPA and conducted in China, instead of the aforementioned registration filed with the NMPA, clinical trial registration shall be completed and trial information shall be published through the Drug Clinical Trial Information Platform. The applicant shall complete trial pre-registration within one month after obtaining the clinical trial approval to obtain the trial's unique registration number and shall complete registration of certain follow-up information before the first subject's enrollment in the trial. If approval of the foregoing pre-registration and registration is not obtained within one year after obtaining the clinical trial approval, the applicant shall submit an explanation, and if the procedure is not completed within three years, the clinical trial approval shall automatically expire.

Human Genetic Resources Approval

On June 10, 1998, the Ministry of Science and Technology and the MOH jointly established the rules for protecting and utilizing human genetic resources in China. On July 2, 2015, the Ministry of Science and Technology issued the Service Guide for Administrative Licensing Items concerning Examination and Approval of Sampling, Collecting, Trading, Exporting Human Genetic Resources, or Taking Such Resources out of the PRC, which provides that foreign-invested sponsors that sample and collect human genetic resources in clinical trials shall be required to file with the China Human Genetic Resources Management Office through its online system. On October 26, 2017, the Ministry of Science and Technology issued the Circular on Optimizing the Administrative Examination and Approval of Human Genetic Resources, which simplified the approval for sampling and collecting human genetic resources for the purpose of commercializing a drug in the PRC.

On June 10, 2019, the State Council of PRC issued the National Regulations on the Management of Human Genetic Resources, which formalized the approval requirements pertinent to research collaborations between Chinese and foreign-owned entities. Pursuant to this new rule, a new notification system (as opposed to the advance approval approach originally in place) is put in place for clinical trials using China's human genetic resources at clinical institutions without involving the export of human genetic resources outside of China.

Trial Exemptions and Acceptance of Foreign Data

The NMPA may reduce its requirements for clinical trials and data, depending on the drug and the existing data. The NMPA has granted waivers for all or part of trials and has stated that it will accept data generated abroad (even if not as part of a global study), including early phase data, that meets its requirements. On July 6, 2018, the NMPA issued the Technical Guidance Principles on Accepting Foreign Drug Clinical Trial Data (the "Guidance Principles") as one of the implementing rules for the Innovation Opinion. According to the Guidance Principles, the data of foreign clinical trials must meet the authenticity, completeness, accuracy and traceability requirements, and such data must be obtained in consistency with the relevant requirements under the Good Clinical Trial Practice (GCP) of the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (the "ICH"). Clinical trial sponsors must be attentive to potentially meaningful ethnic differences in the subject population.

The NMPA now officially permits, and its predecessor agencies have permitted on a case-by-case basis in the past, drugs approved outside of China to be approved in China on a conditional basis without pre-approval clinical trials being conducted in China. Specifically, in 2018, the NMPA issued the Procedures for Reviewing and Approval of Clinical Urgently Needed Overseas New Drugs, permitting drugs that have been approved within the last ten years in the United States, the European Union or Japan and that prevent or treat orphan diseases or prevent or treat serious life-threatening illnesses for which there is either no effective therapy in China or for which the foreign-approved drug would have clear clinical advantages. Applicants will be required to establish a risk mitigation plan and may be required to complete trials in China after the drug has been marketed. The CDE has developed a list of qualifying drugs that meet the foregoing criteria.

Clinical Trial Process and Good Clinical Practices

Typically, drug clinical trials in China have four phases. Phase 1 refers to the initial clinical pharmacology and human safety evaluation studies. Phase 2 refers to the preliminary evaluation of a drug candidate's therapeutic efficacy and safety for target indication(s) in patients. Phase 3 (often the pivotal study) refers to clinical trials that further verify the drug candidate's therapeutic efficacy and safety on patients with target indication(s) and ultimately provide sufficient evidence for the review of a drug registration application. Phase 4 refers to a new drug's post-marketing study to assess therapeutic effectiveness and adverse reactions when the drug is widely used, to evaluate overall benefit-risk relationships of the drug when used among the general population or specific groups and to adjust the administration dose, etc.

On August 6, 2003, the NMPA promulgated the Administration of Quality of Drug Clinical Practice (the "GCP") to improve the quality of clinical trials. On February 19, 2004, the NMPA issued the Circular on Measures for Certification of Drug Clinical Institutions (Trial), providing that the NMPA is responsible for the certification of clinical trial institutions nationwide and that the NHFPC is responsible for the certification of clinical trial institutions within its duties. The NMPA requires that the different phases of clinical trials in China receive ethics committee approval prior to the approval of the clinical trials and that the clinical trials shall comply with GCP. Under the Circular on Measures for Certification of Drug Clinical Institutions (Trial), the NMPA and the NHFPC shall decide whether an institution is qualified for undertaking pharmaceutical clinical trials upon evaluating the institution's organizational administration, research personnel, equipment and facilities, management system and standard operational rules. Pursuant to the Circular on Measures for Certification of Good Laboratory Practice for Non-clinical Laboratory, a Good Laboratory Practice Certification will be issued by the NMPA if all the relevant requirements are satisfied, which will also be published on the NMPA's website. Pursuant to the Opinions on Deepening the Reform of the Evaluation and Approval System and Inspiring Innovation of Drugs and Medical Devices and Equipment, the accreditation of the institutions for drug clinical trials shall be subject to record-filing administration. The conduct of clinical trials must adhere to the Good Laboratory Practice, and the protocols must be approved by the ethics committees of each study site.

Reform of Evaluation and Approval System for Drugs

On August 9, 2015, the State Council promulgated the Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices and Equipment, which establishes the reform framework of the evaluation and approval system for drugs, medical devices and equipment, indicating the enhancement of the standard of approval for drug registration and accelerating the evaluation and approval process for innovative drugs.

On November 11, 2015, the NMPA issued the Circular Concerning Several Policies on Drug Registration Review and Approval, which further clarifies the measures and policies with regard to the simplification and acceleration of the approval process for drugs.

According to the Decision of the NMPA on Adjusting the Approval Procedures under the Administrative Approval Items for Certain Drugs made on March 17, 2017 and effective from May 1, 2017, the approval for a clinical trial application can be directly issued by the CDE under the NMPA on behalf of the NMPA.

On October 8, 2017, the General Office of the State Council promulgated the Innovation Opinions, which further promotes the structural adjustment to and technical innovations of drugs, medical devices and equipment.

On December 21, 2017, the NMPA promulgated the Opinions on Encouraging the Prioritized Evaluation and Approval for Drug Innovations, replacing the Opinions on Priority Review and Approval for Resolving Drug Registration Applications Backlog promulgated on February 24, 2016, which provides for fast track clinical trial approval or drug registration pathway to innovative drugs.

On May 23, 2018, the NMPA and the NHC jointly issued the Circular on Issues Concerning Optimizing Drug Registration Review and Approval, which further simplifies and accelerates the clinical trial approval process.

Special Examination and Fast Track Approval for Innovative Drugs under Current Reform Frame

Pursuant to the Provisions on the Administration of Special Examination and Approval of Registration of New Drugs promulgated by the NMPA on January 7, 2009, the NMPA conducts special examination and approval for new drug registration applications when, among others, (1) the effective constituent of a drug extracted from plants, animals, minerals, etc., as well as the preparations thereof, have never been marketed in China, or the material medicines and the preparations thereof are newly discovered; (2) the chemical raw material medicines as well as the preparations thereof and the biological product have not been approved for marketing anywhere in the world; (3) the new drugs are for treating AIDS, malignant tumors and rare diseases, etc., and have obvious advantages in clinical treatment; or (4) the new drugs are for treating diseases with no effective methods of treatment. The Provisions on the Administration of Special Examination and Approval of Registration of New Drugs provides that the applicant may file for special examination and approval at the clinical trial application stage if the drug candidate falls within items (1) or (2). The provisions provide that for drug candidates that fall within items (3) or (4), the application for special examination and approval cannot be made until filing for production.

The Circular Concerning Several Policies on Drug Registration Review and Approval issued on November 11, 2015 further clarifies the above-mentioned policy, potentially simplifying and accelerating the approval process of clinical trials: (x) a one-time umbrella approval procedure allowing the overall approval of all phases of a new drug's clinical trials, replacing the current phase-by-phase application and approval procedure, will be adopted for new drugs' clinical trial applications; and (y) a fast track drug registration or clinical trial approval pathway for the following applications: (i) registration of innovative new drugs treating AIDS, malignant tumors, serious infectious diseases and rare diseases; (ii) registration of pediatric drugs; (iii) registration of drugs treating specific or prevalent diseases in elders; (iv) registration of drugs listed in

national major science and technology projects or national key research and development plan; (v) registration of innovative drugs using advanced technology, using innovative treatment methods, or having distinctive clinical benefits; (vi) registration of foreign innovative drugs to be manufactured locally in China; (vii) concurrent applications for new drug clinical trials which are already approved in the United States or the European Union or concurrent drug registration applications for drugs which have applied to the competent drug approval authorities for marketing authorization and passed such authorities' onsite inspections in the United States or European Union and are manufactured using the same production line in China; and (viii) clinical trial approval for drugs with urgent clinical need and patent expiry within three years, and manufacturing authorization applications for drugs with urgent clinical need and patent expiry within one year.

The Opinions on Encouraging the Prioritized Evaluation and Approval for Drug Innovations promulgated on December 21, 2017 provides that a fast track clinical trial approval or drug registration pathway will be available to both innovative drugs with distinctive clinical benefits, which have not been sold within or outside China, and drugs using advanced technology, innovative treatment methods or having distinctive treatment advantages.

The Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices and Equipment promulgated on August 9, 2015 provides that the composition of the examiner team of the CDE shall be strengthened by, among other actions, (1) recruiting professional evaluation talent from the public, (2) engaging relevant experts to participate in technological examination and evaluation, and (3) establishing a system of chief professional positions. Additionally, the Opinions on Encouraging the Prioritized Evaluation and Approval for Drug Innovations emphasizes the improvement of the examination and evaluation system, which requires the establishment of a new drug examination and evaluation team comprising professionals specialized in clinical medicine, pharmaceutical sciences, pharmacology, toxicology and statistics. As a result, since 2015, the NMPA and the CDE have started a large-scale expansion of examiners, which could greatly accelerate the new drug approval process in China.

Manufacturing and Distribution

According to the Drug Administration Law, all facilities that manufacture drugs in China must receive a drug manufacturing license from the local drug regulatory authority. Each drug manufacturing license issued to a pharmaceutical manufacturing enterprise is effective for a period of five years. Any enterprise holding a drug manufacturing license is subject to review by the relevant regulatory authorities on an annual basis. A separate certification of compliance with Good Manufacturing Practice (the "GMP") is also required.

Similarly, to conduct sales, importation, shipping and storage (collectively, the "distribution activities"), a company must obtain a Drug Distribution License from the local drug regulatory authority, subject to renewal every five years. A separate certification of compliance with the NMPA's drug good supply practice (the "GSP"), is also required.

China has implemented a "Two-Invoice System" to control the distribution of prescription drugs. The "Two-Invoice System" generally requires that no more than two invoices be issued throughout the distribution chain: one from the manufacturer to a distributor and another from the distributor to the end-user hospital. This excludes the sale of products invoiced from the manufacturer to its wholly-owned or controlled distributors, or for imported drugs, to its exclusive distributor, or from a distributor to its wholly-owned or controlled subsidiary (or between its wholly-owned or controlled subsidiaries). However, the system still significantly limits the options for companies to use multiple distributors to reach a larger geographic area in China. Compliance with the Two-Invoice System is a prerequisite for pharmaceutical companies to participate in the procurement processes of public hospitals, which currently provide most of China's healthcare services. Manufacturers and distributors that fail to implement the Two-Invoice System may lose their qualifications to participate in the bidding process. Non-compliant manufacturers may also be blacklisted from engaging in drug sales to public hospitals in a locality.

The Two-Invoice System was first implemented in 11 provinces involved in pilot comprehensive medical reforms, and the program has been expanded to nearly all provinces, each with its own individual rules for the program.

New Drug Application

Pursuant to the Administrative Measures for Drug Registration, when Phases 1, 2 and 3 clinical trials have been completed, the applicant may apply to the NMPA for approval of a new drug application. The NMPA shall then determine whether to approve the application according to the comprehensive evaluation opinion provided by the CDE of the NMPA.

International Multi-center Clinical Trials Regulations

On January 30, 2015, the NMPA promulgated the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (Trial), effective as of March 1, 2015, to provide guidance on the regulation of the application, implementation and administration of international multi-center clinical trials in China. Pursuant to the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (Trial), international multi-center clinical trial applicants may simultaneously perform clinical trials in different centers using the same clinical trial protocol. Where the applicant plans to make use of the data derived from the international multi-center clinical trials for its application to the NMPA for approval of a new drug application, such international multi-center clinical trials shall satisfy, in addition to the requirements set forth in the Drug Administration Law and its implementation measures, the Administrative Measures for Drug Registration and other relevant laws and regulations, the following requirements:

- The applicant shall first conduct an overall evaluation on the global clinical trial data and further make trend analysis of the Asian and Chinese clinical trial data. In the analysis of Chinese clinical trial data, the applicant shall consider the representativeness of the research subjects, i.e., the participating patients;
- The applicant shall analyze whether the amount of Chinese research subjects is sufficient to assess and adjudicate the safety and effectiveness of the drug under clinical trial, and satisfy the statistical and relevant legal requirements; and
- The onshore and offshore international multi-center clinical trial research centers shall be subject to on-site inspections by competent PRC governmental agencies.

International multi-center clinical trials shall follow international prevailing GCP principles and ethics requirements. Applications shall ensure the truthfulness, reliability and trustworthiness of clinical trials results; the researchers shall have the qualification and capability to perform relevant clinical trials; and an ethics committee shall continuously review the trials and protect the subjects' interests, benefits and safety. Before the performance of the international multi-center clinical trial, applicants shall obtain clinical trial approvals or complete filings pursuant to requirements under the local regulations where clinical trials are conducted, and register and disclose the information of all major researchers and clinical trial organizations on the NMPA drug clinical trial information platform.

Pursuant to the Opinions on Deepening the Reform of the Evaluation and Approval System and Inspiring Innovation of Drugs and Medical Devices and Equipment, clinical trial data obtained from foreign centers may be used to apply for registration in China as long as such data meet the relevant requirements for the registration of drugs and medical devices in China. When using international multi-center clinical trial data to support new drug applications in China, applicants shall submit the completed global clinical trial report, statistical analysis report and database, along with relevant supporting data in accordance with ICH-CTD (International Conference on Harmonization-Common Technical Document) content and format requirements; subgroup research results summary and comparative analysis shall also be conducted concurrently.

Pilot Plan for the Marketing Authorization Holder System

Pursuant to the Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices and Equipment promulgated on August 9, 2015, the State Council published the policy for carrying out a pilot plan for the drug marketing authorization holder mechanism. Under the authorization of the Standing Committee of the NPC, the State Council issued the Pilot Plan for the Drug Marketing Authorization Holder Mechanism on May 26, 2016, providing a detailed pilot plan for the drug marketing authorization holder mechanism in ten provinces in China. Under the drug marketing authorization holder mechanism, domestic drug research and development institutions and individuals in the pilot regions are eligible to be holders of drug registrations without having to become drug manufacturers. The marketing authorization holders may engage contract manufacturers for manufacturing, provided that the contract manufacturers are licensed and GMP-certified and are also located within the pilot regions. Drugs that qualify for the drug marketing authorization holder mechanism include: (1) new drugs (including biological products for curative uses of Class I, Class VII and biosimilars under the Administration of Drug Registration) approved after the implementation of the drug marketing authorization holder mechanism; (2) generic drugs approved as Category 3 or 4 drugs under the Reform Plan for Registration Category of Chemical Medicine issued by the NMPA on March 4, 2016; (3) previously approved generics that have passed equivalence assessments against their original drugs; and (4) previously approved drugs whose licenses were held by drug manufacturers originally located within the pilot regions but have moved out of the pilot regions due to corporate mergers or other reasons.

On August 15, 2017, the NMPA issued the Circular on the Matters Relating to Promotion of the Pilot Program for the Drug Marketing Authorization Holder System, clarifying that the marketing authorization holder shall be responsible for managing the whole manufacturing and marketing chain and the whole life cycle of drugs and shall assume full legal liabilities for the non-clinical drug study, clinical trials, manufacturing, marketing and distribution and adverse drug reaction monitoring. The marketing authorization holder is permitted to entrust several drug manufacturers under the drug quality management system established by the marketing authorization holder. The marketing authorization holder shall submit a report of drug manufacturing, marketing, prescription, techniques, pharmacovigilance, quality control measures and certain other matters to the NMPA within 20 working days after the end of each year.

Administrative Observation Periods for New Drugs

According to the Implementing Measures of the Drug Administration Law, the NMPA may, for the purposes of protecting public health, set an administrative observation period of not more than five years for a new drug produced by a drug manufacturer. During the administrative observation period, no approval shall be given to any other manufacturer to produce or import the said drug.

Non-Inferiority Standard

In China, a drug may receive regulatory approval without showing superiority in its primary endpoint. Rather, a drug may be approved for use if it shows non-inferiority in its primary endpoint and superiority in one of its secondary endpoints.

Packaging of Pharmaceutical Products

Pursuant to the Administration of Quality of Drug Clinical Practice, the applicant shall be responsible for proper packaging and labeling of drugs for clinical trials, and in double-blinded clinical trials, the test drug shall be consistent with the control drug or placebo in appearance, odor, packaging, labeling, and certain other features. According to the Measures for the Administration of Pharmaceutical Packaging promulgated on February 12, 1988 and effective from September 1, 1988, pharmaceutical packaging must comply with national and professional standards. If there is no national or professional standard available, an applicant may formulate and implement its own standards after obtaining the approval of the provincial administration or bureau of

standards. The applicant must reapply if it needs to change its own packaging standards. Drugs that have not been developed and approved for packaging standards must not be sold or marketed in the PRC (except for drugs for the military).

National List of Essential Drugs

On August 18, 2009, the MOH and eight other ministries and commissions in the PRC issued the Provisional Measures on the Administration of the National List of Essential Drugs which was revised on February 13, 2015 aim to promote essential medicines sold to consumers at fair prices in the PRC and ensure that the general public in the PRC has equal access to the drugs contained in the National List of Essential Drugs. The MOH promulgated the National List of Essential Drugs on March 13, 2013 and on September 30, 2018. According to these regulations, basic healthcare institutions funded by the government shall store up and use drugs listed in the National List of Essential Drugs. The drugs listed in the National List of Essential Drugs shall be purchased by centralized tender process and shall be subject to the price control by the National Development and Reform Commission (the "NDRC"). Remedial drugs in the National List of Essential Drugs are all listed in the NRDL and the purchase price of such drugs is entitled to reimbursement.

Government Price Controls

The Chinese government has abolished the 15-year-old government-led pricing system for drugs. On May 4, 2015, the NDRC and six other ministries and commissions in the PRC issued the Opinion on Promoting Drug Pricing Reform, which lifted the government-prescribed maximum retail price for most drugs, except for narcotic drugs and Class I psychotropic drugs. The government regulates drug prices mainly by establishing a consolidated procurement mechanism, restructuring medical insurance reimbursement standards and strengthening the regulation of medical and pricing practices as discussed below.

Centralized Procurement and Tenders

Under the current regulations, public medical institutions owned by the government or owned by State-owned or controlled enterprises are required to purchase pharmaceutical products through centralized online procurement processes. There are exceptions for drugs on the National List of Essential Drugs, which have their own procurement rules, and for certain drugs subject to the central government's special control, such as toxic, radioactive and narcotic drugs and traditional Chinese medicines.

The centralized procurement process takes the form of public tenders operated by provincial or municipal-level government agencies. The centralized tender process is typically conducted once every year. The bids are assessed by a committee randomly selected from a database of experts. The committee members assess the bids based on a number of factors, including, but not limited to, bid price, product quality, clinical effectiveness, product safety, level of technology, qualifications and reputation of the manufacturer, after-sale services and innovation.

The State Council approved state-run centralized medicine procurement and 11 pilot cities for the program in a circular issued on January 17, 2019. It is an effort to deepen reform of the medical and health sector and optimize the pricing system of drugs. According to the circular, in the 11 pilot cities drugs will be selected from generic brands for centralized medicine procurement. The selected drugs must pass the consistency evaluation on quality and effectiveness. The policy is aimed at lowering drug costs for patients, reducing transaction costs for enterprises, regulating drug use of institutions, and improving the centralized medicine procurement and pricing system. The centralized procurement is open to all approved enterprises that can produce drugs on the procurement list in China. Clinical effects, adverse reactions, and batch stability of the drugs will be considered, and their consistency will be the main criteria for evaluation, while production capacity and stability of the supplier will also be considered.

Commercial Insurance

On October 25, 2016, the State Council issued the Plan for Healthy China 2030. According to the Plan, the country will establish a multi-level medical security system built around basic medical insurance, with other forms of insurance supplementing the basic medical insurance, including serious illness insurance for urban and rural residents, commercial health insurance and medical assistance. Furthermore, the Plan encourages enterprises and individuals to participate in commercial health insurance and various forms of supplementary insurance. The evolving medical insurance system makes innovative drugs more affordable and universally available to the Chinese population, which renders greater opportunities to drug manufacturers that focus on the research and development of innovative drugs, such as high-cost cancer therapeutics.

Healthcare System Reform

The PRC government recently promulgated several healthcare reform policies and regulations to reform the healthcare system. On March 17, 2009, the State Council issued the Guidelines on Strengthening the Reform of Healthcare System. On December 27, 2016, the State Council issued the Notice on the Issuance of the 13th Five-year Plan on Strengthening the Reform of Healthcare System. On April 25, 2017, the General Office of the State Council issued the Notice on the Main Tasks of Strengthening the Reform of Healthcare System in 2017.

Highlights of the aforementioned healthcare reform policies and regulations include the following:

- One of the main objectives of the reform is to establish a basic healthcare system that covers both urban and rural residents and provides Chinese citizens with safe, effective, convenient and affordable healthcare services. By 2020, a basic healthcare system covering both urban and rural residents shall be established.
- Another main objective of the reform is to improve the healthcare system through the development of a graded hierarchical healthcare system, modern hospital management, basic medical insurance, drug supply support and comprehensive supervision.
- The reforms aimed to promote orderly market competition and improve the efficiency and quality of the healthcare system to meet the various medical need of the Chinese population. From 2009, basic public healthcare services such as preventive healthcare, maternal and child healthcare and health education have been provided to urban and rural residents. In the meantime, the reforms also encourage innovations by pharmaceutical companies to eliminate pharmaceutical products that fail to demonstrate reliable efficacy and positive risk-benefit ratio.
- The key tasks of the reform were as follows: (1) to deepen the reform of public hospitals; (2) to accelerate the development of a graded diagnosis and treatment system; (3) to consolidate and improve the universal medical insurance system; (4) to guarantee drug supply; (5) to establish and improve a comprehensive supervision system; (6) to cultivate talented health-care practitioners; (7) to stabilize and perfect the basic public health service equalization system; (8) to advance the construction of health information technology; (9) to accelerate the development of the health services industry generally and (10) to strengthen organization and implementation.

Chronic Diseases Prevention and Treatment

Pursuant to the Guiding Opinion of the General Office of the State Council on Promoting the Construction of the Hierarchical Healthcare System issued by the General Office of the State Council on September 8, 2015 and the Notice on Promoting Pilot Work for Hierarchical Healthcare System jointly promulgated by the NHFPC and the State Administration of Traditional Chinese Medicine on August 19, 2016, the hierarchical healthcare system is expected to be gradually improved, and the framework for division and coordination among medical and health institutions shall be substantially established by 2017, and a diagnosis and treatment model featuring objectives, such as initial diagnosis of common diseases and frequent diseases at primary hospitals and separate

treatment of acute and chronic diseases, are expected to be gradually established. According to the Guiding Opinion of the General Office of the State Council on Promoting the Construction of the Hierarchical Healthcare System, several chronic diseases, including hypertension, diabetes, cancer and cardiovascular and cerebrovascular diseases, are pilot diseases under the hierarchical healthcare system. Primary healthcare institutions, rehabilitation hospitals and nursing institutions may provide treatment, rehabilitation and nursing services for patients with chronic diseases, patients in stable conditions, elderly patients, and advanced cancer patients who have clear diagnosis and stable disease conditions.

On January 22, 2017, the General Office of the State Council issued the Notice on the Medium and Long-Term Plan for Chronic Disease Prevention and Treatment in China (2017-2025), which sets up the objectives of the management of diabetes patients, targeting the involvement of 35 million diabetic patients by 2020 and 40 million by 2025 in chronic disease management. The Notice on the Medium and Long-Term Plan for Chronic Disease Prevention and Treatment in China (2017-2025) reaffirms that the hierarchical healthcare system of chronic diseases such as diabetes shall be promoted and encourages the initial diagnosis of common diseases and frequent diseases at primary hospitals. In addition, social participation in regional medical services, health management and chronic disease prevention services, as well as investments in the field of chronic disease prevention by social capital, are encouraged.

Intellectual Property Rights

China became a member of the World Trade Organization and a party to the Agreement on Trade-Related Aspects of Intellectual Property Rights on December 11, 2001. China has also entered into several international conventions on intellectual property rights, including, but not limited to, the Paris Convention for the Protection of Industrial Property, the Madrid Agreement Concerning the International Registration of Marks, and the Patent Cooperation Treaty.

Patents

Pursuant to the PRC Patent Law promulgated by the Standing Committee of the NPC on March 12, 1984 and amended on September 4, 1992, August 25, 2000 and December 27, 2008, respectively, and effective from October 1, 2009, and the Implementation Rules of the Patent Law of the PRC promulgated by the State Council on June 15, 2001 and amended on December 28, 2002 and January 9, 2010, respectively, patents in China fall into three categories: invention, utility model and design. An invention patent is granted to a new technical solution proposed in respect of a product or method or an improvement of a product or method. A utility model is granted to a new technical solution that is practicable for application and proposed in respect of the shape, structure or a combination of both of a product. A design patent is granted to the new design of a certain product in shape, pattern or a combination of both and in color, shape and pattern combinations aesthetically suitable for industrial application. Under the PRC Patent Law, the term of patent protection starts from the date of application. Patents relating to invention are effective for twenty years, and utility models and designs are effective for ten years from the date of application. The PRC Patent Law adopts the principle of “first-to-file” system, which provides that where more than one person files a patent application for the same invention, a patent will be granted to the person who files the application first.

Existing patents can become narrowed, invalid or unenforceable due to a variety of grounds, including lack of novelty, creativity, and deficiencies in patent application. In China, a patent must have novelty, creativity and practical applicability. Under the PRC Patent Law, novelty means that before a patent application is filed, no identical invention or utility model has been publicly disclosed in any publication in China or overseas or has been publicly used or made known to the public by any other means, whether in or outside of China, nor has any other person filed with the patent authority an application that describes an identical invention or utility model and is recorded in patent application documents or patent documents published after the filing date. Creativity means that, compared with existing technology, an invention has prominent substantial features and represents notable progress, and a utility model has substantial features and represents any progress. Practical applicability

means an invention or utility model can be manufactured or used and may produce positive results. Patents in China are filed with the State Intellectual Property Office (the "SIPO"). Normally, the SIPO publishes an application for an invention patent within 18 months after the filing date, which may be shortened at the request of applicant. The applicant must apply to the SIPO for a substantive examination within three years from the date of application.

Article 20 of the PRC Patent Law provides that, for an invention or utility model completed in China, any applicant (not just Chinese companies and individuals), before filing a patent application outside of China, must first submit it to the SIPO for a confidential examination. Failure to comply with this requirement will result in the denial of any Chinese patent for the relevant invention. This added requirement of confidential examination by the SIPO has raised concerns by foreign companies who conduct research and development activities in China or outsource research and development activities to service providers in China.

Patent Enforcement

Unauthorized use of patents without consent from owners of patents, forgery of the patents belonging to other persons, or engagement in other patent infringement acts, will subject the infringers to infringement liability. Serious offenses such as forgery of patents may be subject to criminal penalties.

When a dispute arises out of infringement of the patent owner's patent right, Chinese law requires that the parties first attempt to settle the dispute through mutual consultation. However, if the dispute cannot be settled through mutual consultation, the patent owner, or an interested party who believes the patent is being infringed, may either file a civil legal suit or file an administrative complaint with the relevant patent administration authority. A Chinese court may issue a preliminary injunction upon the patent owner's or an interested party's request before instituting any legal proceedings or during the proceedings. Damages for infringement are calculated as the loss suffered by the patent holder arising from the infringement, and if the loss suffered by the patent holder arising from the infringement cannot be determined, the damages for infringement shall be calculated as the benefit gained by the infringer from the infringement. If it is difficult to ascertain damages in this manner, damages may be determined by using a reasonable multiple of the license fee under a contractual license. Statutory damages may be awarded in the circumstances where the damages cannot be determined by the above-mentioned calculation standards. The damage calculation methods shall be applied in the aforementioned order. Generally, the patent owner has the burden of proving that the patent is being infringed. However, if the owner of an invention patent for manufacturing process of a new product alleges infringement of its patent, the alleged infringer has the burden of proof.

Medical Patent Compulsory License

According to the PRC Patent Law, for the purpose of public health, the SIPO may grant a compulsory license for manufacturing patented drugs and exporting them to countries or regions covered under relevant international treaties to which the PRC has acceded.

Trade Secrets

Pursuant to the PRC Anti-Unfair Competition Law promulgated by the Standing Committee of the NPC on September 2, 1993 and amended on November 4, 2017 and April 23, 2019, respectively, the term "trade secrets" refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the PRC Anti-Unfair Competition Law, business persons are prohibited from infringing others' trade secrets by (1) obtaining the trade secrets from the legal owners or holders by any unfair methods, such as theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (2) disclosing, using or permitting others to use the trade secrets obtained illegally under item (1) above; (3) disclosing, using or permitting others to use the trade secrets, in violation of any contractual agreements or any requirements of the legal owners or holders to

keep such trade secrets in confidence; or (4) instigating, inducing or assisting others to disclose, use or permit others to use the trade secrets, in violation of any contractual agreements or any requirement of the legal owners or holders to keep such trade secret in confidence. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others' trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may terminate any illegal activities and impose fines on the infringing parties.

Trademarks

Pursuant to the Trademark Law of the PRC promulgated by the Standing Committee of the NPC on August 23, 1982 and amended on February 22, 1993, October 27, 2001 and August 30, 2013, respectively, and effective from May 1, 2014, which has been amended on April 23, 2019 and will become effective from November 1, 2019, the period of validity for a registered trademark is ten years, commencing from the date of registration. The registrant shall go through the formalities for renewal within twelve months prior to the expiry date of the trademark if continued use is intended. Where the registrant fails to do so, a grace period of six months may be granted. The validity period for each renewal of registration is ten years, commencing from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of a renewal upon expiry, the registered trademark shall be cancelled. Industrial and commercial administrative authorities have the authority to investigate any behavior in infringement of the exclusive right under a registered trademark in accordance with the law. In case of a suspected criminal offense, the case shall be timely referred to a judicial authority and decided according to the law.

Domain Names

Domain names are protected under the Measures on Administration of Domain Names for the Chinese Internet promulgated by the Ministry of Industry and Information Technology, on November 5, 2004 and effective from December 20, 2004, which was replaced by the Administrative Measures on the Internet Domain Names issued by the Ministry of Industry and Information Technology on August 24, 2017 and effective from November 1, 2017, and the Implementing Rules on Registration of Domain Names issued by China Internet Network Information Center on May 28, 2012, which became effective on May 29, 2012. The Ministry of Industry and Information Technology is the main regulatory body responsible for the administration of PRC internet domain names. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Product Liability

The Product Quality Law of the PRC promulgated by the Standing Committee of the NPC on February 22, 1993 and amended on July 8, 2000, August 27, 2009 and December 29, 2018, respectively, is the principal governing law relating to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them, and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable for compensating for any bodily injuries or property damages, other than the defective product itself, resulting from the defects in the product, unless the manufacturer is able to prove that: (1) the product has never been distributed; (2) the defects causing injuries or damages did not exist at the time when the product was distributed; or (3) the science and technology at the time when the product was distributed was at a level incapable of detecting the defects. A seller shall be liable for compensating for any bodily injuries or property damages of others caused by the defects in the product if such defects are attributable to the seller. A seller shall pay compensation if it fails to indicate either the manufacturer or the supplier of the defective product. A person who is injured or whose property is damaged by the defects in the product may claim for compensation from the manufacturer or the seller.

Pursuant to the General Principles of the Civil Law of the PRC promulgated by the NPC on April 12, 1986 and amended on August 27, 2009, both manufacturers and sellers shall be held liable where the defective products result in property damages or bodily injuries to others. Pursuant to the Tort Liability Law of the PRC promulgated by the Standing Committee of the NPC on December 26, 2009 and effective from July 1, 2010, manufacturers shall assume tort liabilities where the defects in products cause damages to others. Sellers shall assume tort liabilities where the defects in products that have caused damages to others are attributable to the sellers. The aggrieved party may claim for compensation from the manufacturer or the seller of the defected product that has caused damage.

Regulation of Commercial Bribery

Pharmaceutical companies involved in a criminal investigation or administrative proceedings related to bribery are listed in the Adverse Records of Commercial Briberies by their respective provincial health and family planning administrative department. Pursuant to the Provisions on the Establishment of Adverse Records of Commercial Briberies in the Medicine Purchase and Sales Industry which became effective on March 1, 2014, provincial health and family planning administrative departments formulate the implementing measures for establishment of Adverse Records of Commercial Briberies. Where a pharmaceutical company or its agent is listed in the Adverse Records of Commercial Briberies on one occasion, it will be prohibited from participating in the procurement bidding process or selling its products to public medical institutions located in the local provincial-level region for two years from the publication of the adverse records. The evaluation points of such pharmaceutical company or agent in respect of the procurement bidding process and procurement by public medical institutions must be credited by public medical institutions in the other provincial-level regions for two years from the publication of the adverse records. Where a pharmaceutical company or its agent is listed in the Adverse Records of Commercial Briberies on two or more occasions within five years, it will be prohibited from participating in the procurement bidding process or selling its products to all public medical institutions in the PRC for two years from the publication of these adverse records.

Regulations Relating to Employee Stock Incentive Plan

In February 2012, the SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly Listed Companies (the “Stock Option Rules”), which replaced the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plans or Stock Option Plans of Overseas Publicly Listed Companies issued by the SAFE on March 28, 2007. In accordance with the Stock Option Rules and relevant rules and regulations, PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year, who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with the SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain procedures. We and our employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who participate in our stock incentive plan will be subject to such regulation. In addition, the SAT has issued circulars concerning employee share options or restricted shares. Under these circulars, employees working in the PRC who exercise share options, or whose restricted shares vest, will be subject to PRC individual income tax (the “IIT”). The PRC subsidiaries of an overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold IIT of those employees related to their share options or restricted shares. If the employees fail to pay, or the PRC subsidiaries fail to withhold, their IIT according to relevant laws, rules and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

Regulations Relating to Foreign Exchange and the Dividend Distribution

Foreign Exchange Control

The State Council promulgated the PRC Regulation for the Foreign Exchange on January 29, 1996, which was amended on January 14, 1997 and August 5, 2008, respectively. On June 20, 1996, the People’s Bank of

China promulgated the Regulation on the Administration of the Foreign Exchange Settlement, Sales and Payment, which came into effect on July 1, 1996. Pursuant to the above-mentioned regulations, foreign exchanges required for distribution of profits and payment of dividends may be purchased from designated foreign exchange banks in the PRC upon presentation of a board resolution authorizing the distribution of profits or payment of dividends. The Regulation on the Administration of the Foreign Exchange Settlement, Sales and Payment removed the previous restrictions on convertibility of foreign exchange in respect of current account items, including the distribution of dividends, interest and royalty payments, trade and service-related foreign exchange transactions, while foreign exchange transactions in respect of capital account items, such as direct investment, loan, securities investment and repatriation of investment, remain subject to the approval of the SAFE.

On November 19, 2012, the SAFE issued the Operating Rules for Foreign Exchange Issues with Regard to Direct Investment under Capital Account as an appendix to the Circular of the SAFE on Further Improving and Adjusting the Foreign Exchange Policies on Direct Investment, which was issued on November 19, 2012 and amended on May 4, 2015. According to the Circular of the SAFE on Further Improving and Adjusting the Foreign Exchange Policies on Direct Investment, (i) the opening of and payment into foreign exchange accounts under direct investment accounts are no longer subject to approval by the SAFE; (ii) reinvestment with the legal income of foreign investors in China is no longer subject to approval by the SAFE; (iii) the procedures for capital verification and confirmation that foreign-funded enterprises need to go through are simplified; (iv) the purchase and external payment of foreign exchange under direct investment accounts are no longer subject to approval by the SAFE; (v) domestic transfer of foreign exchange under direct investment accounts is no longer subject to approval by the SAFE; and (vi) the administration over the conversion of foreign exchange capital of foreign-funded enterprises is improved. On February 13, 2015, the SAFE issued the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of Direct Investment, which came into effect on June 1, 2015, providing that the banks, instead of the SAFE, can directly handle the foreign exchange registration and approval under foreign direct investment, while the SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the banks.

On May 11, 2013, the SAFE promulgated the Provisions on the Administration of Foreign Exchange in Foreign Direct Investments by Foreign Investors, which became effective on May 13, 2013, and relevant supporting documents that regulate and clarify the administration over foreign exchange administration in foreign direct investments.

On March 30, 2015, the SAFE released the Circular on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises, which came into effect on June 1, 2015 and superseded the Notice on the Relevant Operating Issues Concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign-funded Enterprises issued by the SAFE on August 29, 2008. The Circular on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises has made certain adjustments to some regulatory requirements on the settlement of foreign exchange capital of foreign-invested enterprises, and some foreign exchange restrictions provided in the Notice on the Relevant Operating Issues Concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign-funded Enterprises. On June 9, 2016, the SAFE issued the Circular on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects. Under the Circular on the Reform and Standardization of the Management Policy of the Settlement of Capital Projects and the Circular on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises, the settlement of foreign exchange by foreign-invested enterprises shall be governed by the policy of foreign exchange settlement on a discretionary basis. However, the aforementioned circulars also reiterate that the settlement of foreign exchange shall only be used for its own operation purposes within the business scope of the foreign-invested enterprises and following the principles of authenticity. Considering that these circulars are relatively new, it is unclear how they will be implemented, and there exist great uncertainties with respect to their interpretation and implementation by the authorities.

The SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles on July 4, 2014, which requires PRC residents to register with local branches of the SAFE in connection with their direct establishment or indirect control of an offshore entity for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests as a "special purpose vehicle" as defined therein. The aforesaid circular further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle. Failure to comply with the SAFE registration requirements under the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles could result in liabilities under PRC law for evasion of foreign exchange controls. The Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of Direct Investment, provides that local banks, instead of the SAFE, can directly handle the initial foreign exchange registration and amendment registration under the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles.

Dividend Distribution

Pursuant to the PRC Company Law, the Wholly Foreign-Owned Enterprise Law of the PRC and the Detailed Implementing Rules for the Wholly Foreign-Owned Enterprise Law of the People's Republic China, foreign-invested enterprises in the PRC may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a foreign-invested enterprise is required to set aside at least 10% of its accumulated profits each year to fund certain reserve funds, until the accumulative amount of such fund reaches 50% of its registered capital. These wholly foreign-owned companies may also allocate a portion of their after-tax profits based on PRC accounting standards to employee welfare and bonus funds. Amounts allocated to these reserve funds and employee welfare and bonus funds reduce the amount distributable as cash dividends. Upon approval of the competent governmental authorities, foreign investors may utilize RMB dividends to invest or re-invest in enterprises established in China.

On January 26, 2017, the SAFE issued the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control, which stipulates several capital control measures with respect to outbound remittance of profits from domestic entities to offshore entities, including the following: (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, domestic entities shall provide detailed explanations of the sources of capital and the utilization arrangements and board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

Regulations Relating to Labor

Labor Law and Labor Contract Law

Pursuant to the PRC Labor Law promulgated by the Standing Committee of the NPC on July 5, 1994 and effective from January 1, 1995 and amended on August 27, 2009 and December 29, 2018, respectively, the PRC Labor Contract Law promulgated by the Standing Committee of the NPC on June 29, 2007 and effective from January 1, 2008 and amended on December 28, 2012 and effective from July 1, 2013, and the Implementing Regulations of the Employment Contracts Law of the PRC promulgated by the State Council on September 18, 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. Wages cannot be lower than the local minimum wage. The employer must establish a system for labor safety and sanitation, strictly abide by the state rules and standards, provide education regarding labor safety and sanitation to its employees, provide employees with labor safety and sanitary conditions and necessary protection materials in compliance with the state rules and standards, and carry out regular health examinations for employees engaged in work involving occupational hazards.

Social Insurance and Housing Provident Funds

Under applicable PRC laws, including the Social Insurance Law of the PRC which became effective on July 1, 2011 and was amended on December 19, 2018, the Interim Regulations on the Collection and Payment of Social Security Funds promulgated by the State Council on January 22, 1999 and amended on March 24, 2019, and the Regulations on the Administration of Housing Provident Funds promulgated by the State Council on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, respectively, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity insurance and housing provident funds. These payments are made to local administrative authorities, and any employer who fails to contribute may be fined and ordered to pay the deficit amount within a stipulated time limit.

Regulations Relating to Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC effective as of January 1, 2008 and as amended on February 24, 2017 and December 29, 2018, respectively, the income tax rate for both domestic and foreign-invested enterprises is 25% with certain exceptions. To clarify certain provisions in the Enterprise Income Tax Law, the State Council promulgated the Implementation Rules of the Enterprise Income Tax Law on December 6, 2007, which became effective on January 1, 2008. Under the Enterprise Income Tax Law and the Implementation Rules of the Enterprise Income Tax Law, enterprises are classified as either "resident enterprises" or "non-resident enterprises." Besides enterprises established within the PRC, enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises" and subject to the uniform 25% enterprise income tax rate for their global income. In addition, the Enterprise Income Tax Law provides that a non-resident enterprise refers to an entity established under foreign law whose "de facto management bodies" are not within the PRC, but has an establishment or place of business in the PRC, or does not have an establishment or place of business in the PRC but has income sourced within the PRC.

The Implementation Rules of the Enterprise Income Tax Law provide that since January 1, 2008, an income tax rate of 10% shall normally be applicable to dividends declared to non-PRC resident enterprise investors that do not have an establishment or place of business in the PRC, or have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC. The income tax on the dividends may be reduced pursuant to a tax treaty between China and the jurisdictions in which the non-PRC shareholders reside.

Other PRC National- and Provincial-Level Laws and Regulations

We are subject to changing regulations under many other laws and regulations administered by governmental authorities at the national, provincial and municipal levels, some of which are or may become applicable to our business. For example, regulations control the confidentiality of patients' medical information and the circumstances under which patient medical information may be released for inclusion in our databases, or released by us to third parties. These laws and regulations governing both the disclosure and the use of confidential patient medical information may become more restrictive in the future.

We also comply with numerous additional national and provincial laws relating to matters such as safe working conditions, manufacturing practices, environmental protection and fire hazard control. We believe that we are currently in compliance with these laws and regulations; however, we may be required to incur significant costs to comply with these laws and regulations in the future. Unanticipated changes in existing regulatory requirements or adoption of new requirements could therefore have a material adverse effect on our business, results of operations and financial condition.

U.S. Regulation

Government Regulation and Product Approval in the United States

The FDA and other regulatory authorities in the United States at federal, state and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, recordkeeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of biological products. Along with third-party contractors, we will be required to navigate the various pre-clinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval or licensure of our drug candidates. The processes for obtaining regulatory approvals in the United States and in foreign jurisdictions, along with subsequent compliance with applicable laws and regulations and other regulatory authorities, require the expenditure of substantial time and financial resources.

Government policies may change and additional government regulations may be enacted that could prevent or delay further development or regulatory approval of any of our drug candidates, or anticipated manufacturing processes, disease indications, or labeling. We cannot predict the likelihood, nature or extent of government regulation that might arise from future legislative or administrative action.

Review and Approval for Licensing Biologics in the United States

In the United States, the FDA regulates our current drug candidates as biological products, or biologics, under the Federal Food, Drug, and Cosmetic Act (the "FDCA"), the Public Health Service Act and associated implementing regulations. Biologics, like other drugs, are used for the treatment, prevention or cure of disease in humans. In contrast to chemically synthesized small molecular weight drugs, which have a well-defined structure and can be thoroughly characterized, biologics are generally derived from living material (human, animal, or microorganism) and are complex in structure, and thus are usually not fully characterized. Biologics include immunomedicines for cancer and other diseases.

Biologics are also subject to other federal, state and local statutes and regulations. The failure to comply with applicable statutory and regulatory requirements at any time during the product development process, approval process or after approval may subject a sponsor or applicant to administrative or judicial enforcement actions. These actions could include the suspension or termination of clinical trials by the FDA, the FDA's refusal to approve pending applications or supplemental applications, withdrawal of an approval, "Warning Letters" (official messages from the FDA to a manufacturer or other organization that it has violated some rule in a federally regulated activity) or "Untitled Letters" (initial correspondences from the FDA with a regulated industry that cite violations that do not meet the threshold of regulatory significance for a Warning Letter and request correction of the violation), product recalls, product seizures, total or partial suspension of production or distribution, import detention, injunctions, fines, refusals of government contracts, restitution, disgorgement of profits, or civil or criminal investigations and penalties brought by the FDA, the Department of Justice (the "DOJ"), or other governmental entities.

An applicant seeking approval to market and distribute a biologic in the United States typically must undertake the following:

- completion of non-clinical laboratory tests and animal studies performed in accordance with the FDA's good laboratory practice (the "GLP"), regulations;
- submission to the FDA of an application for an Investigational New Drug ("IND"), which must become effective before clinical trials may begin and must be updated annually or when significant changes are made;
- manufacture, labeling and distribution of an investigational drug in compliance with current good manufacturing practice (the "cGMP");

- approval by an independent institutional review board (the "IRB"), or ethics committee at each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with the FDA's current Good Clinical Practices requirements (the "cGCP"), to establish the safety, purity and potency of the proposed biological drug candidate for its intended purpose;
- preparation of and submission to the FDA of a biologics license application ("BLA"), after completion of all pivotal clinical trials requesting marketing approval for one or more proposed indications;
- satisfactory completion of an FDA Advisory Committee review, where appropriate or if applicable, as may be requested by the FDA to assist with its review;
- satisfactory completion of one or more FDA inspections of the manufacturing facility or facilities at which the proposed product, or components thereof, are produced to assess compliance with cGMP and data integrity requirements to assure that the facilities, methods and controls are adequate to preserve the biologic's identity, safety, quality, purity and potency;
- satisfactory completion of FDA audits of selected clinical investigation sites to assure compliance with cGCP requirements and the integrity of the clinical data;
- payment of user fees under the Prescription Drug User Fee Act (the "PDUFA"), for the relevant year;
- obtaining FDA review and approval of the BLA to permit commercial marketing of the licensed biologic for particular indications for use in the United States; and
- compliance with any post-approval requirements, including the potential requirement to implement a Risk Evaluation and Mitigation Strategy (the "REMS"), and the potential requirement to conduct post-approval studies.

The testing and approval process requires substantial time, effort and financial resources and we cannot be certain that any approvals for our drug candidates will be granted on a timely basis, if at all.

From time to time, legislation is drafted, introduced and passed in the Congress of the United States that could significantly change the statutory provisions governing the testing, approval, manufacturing and marketing of products regulated by the FDA. In addition to new legislation, FDA regulations and policies are often revised or interpreted by the agency in ways that may significantly affect our business and our drug candidates. It is impossible to predict whether further legislative changes will be enacted or whether FDA regulations, guidance, policies or interpretations will be changed or what the effect of such changes, if any, may be.

Pre-clinical and Clinical Development in the United States

Before a BLA applicant can begin testing the potential asset in human subjects, the applicant must first conduct pre-clinical studies. Pre-clinical studies include laboratory evaluations of product chemistry, toxicity and formulation, as well as in vitro and animal studies to assess the potential safety and activity of the biologic for initial testing in humans and to establish a rationale for therapeutic use. Pre-clinical studies are subject to federal regulations and requirements, including GLP regulations. The results of an applicant's pre-clinical studies are submitted to the FDA as part of an IND.

An IND is a request for authorization from the FDA to administer an investigational new drug product to humans. An IND is an exemption from the FDCA that allows an unapproved drug to be shipped in interstate commerce for use in an investigational clinical trial. Such authorization must be secured prior to interstate shipment. In support of a request for an IND, applicants must submit a range of information, including pre-clinical data, manufacturing information and a detailed protocol for each clinical trial. Any subsequent protocol amendments must be submitted to the FDA as part of the IND.

Human clinical trials may not begin until an IND is effective. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises safety concerns or questions about the proposed clinical trial within the 30-day time period. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

The FDA may also place a clinical hold or partial clinical hold on such trial following commencement of a clinical trial under an IND. A clinical hold is an order issued by the FDA to the sponsor to delay a proposed clinical investigation or to suspend an ongoing investigation. A partial clinical hold is a delay or suspension of only part of the clinical work requested under the IND. For example, a specific protocol or part of a protocol is not allowed to proceed, while other protocols may do so. No more than 30 days after the imposition of a clinical hold or partial clinical hold, the FDA will provide the sponsor with a written explanation of the basis for the hold. Following issuance of a clinical hold or partial clinical hold, an investigation may only resume after the FDA has notified the sponsor that the investigation may proceed. The FDA will base that determination on information provided by the sponsor correcting the deficiencies previously cited or otherwise satisfying the FDA that the investigation can proceed.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with cGCP regulations, which include the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments.

A sponsor may choose, but is not required, to conduct a foreign clinical study under an IND. When a foreign clinical study is conducted under an IND, all FDA IND requirements must be met unless waived. When the foreign clinical study is not conducted under an IND, the sponsor must ensure that the study complies with cGCP regulations in order to use the study as support for an IND or application for marketing approval, including review and approval by an independent ethics committee and informed consent from subjects.

Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives.

Some trials also include oversight by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board (the “DSMB”). DSMBs provide authorization for whether or not a trial may move forward at designated check points based on access to certain data from the trial and may halt the clinical trial if a DSMB determines that there is an unacceptable safety risk for subjects or based on other grounds, such as no demonstration of efficacy. Other grounds for suspension or termination may be made based on evolving business objectives and/or competitive climate. There are also requirements governing the reporting of ongoing clinical trials and clinical trial results to public registries.

Clinical Trials

For purposes of BLA approval, clinical trials are typically conducted in the following sequential phases that may overlap or be combined:

- Phase 1: The investigational product is initially introduced into a small number of healthy human subjects or patients with the target disease or condition. These trials are designed to test the safety,

dosage tolerance, absorption, metabolism and distribution of the investigational product in humans and the side effects associated with increasing doses. These trials may also yield early evidence of effectiveness. In the case of some products for severe or life-threatening diseases, especially when the product is suspected or known to be unavoidably toxic, the initial human testing may be conducted in patients.

- Phase 2: The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3: The investigational product is administered to an expanded patient population generally at multiple geographically dispersed clinical trial sites to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety. These clinical trials are intended to generate sufficient data to statistically evaluate the efficacy and safety of the product for approval, to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval by the FDA.

In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product, referred to as Phase 4 trials. Such post-approval trials, when applicable, are conducted following initial approval, typically to develop additional data and information relating to the biological characteristics of the product and treatment of patients in the intended therapeutic indication.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur. In addition, IND safety reports must be submitted to the FDA for any of the following: suspected serious and unexpected adverse reactions; findings from epidemiological studies, pooled analysis of multiple studies, animal or in vitro testing, or other clinical studies, whether or not conducted under an IND, and whether or not conducted by the sponsor, that suggest a significant risk in humans exposed to the drug; and any clinically important increase in the rate of a serious suspected adverse reaction over such rate listed in the protocol or investigator brochure, which is a comprehensive document summarizing the body of information about an investigational product obtained during clinical and non-clinical trials.

Each of Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, or at all. Furthermore, the FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. The FDA will typically inspect one or more clinical sites to assure compliance with cGCP and the integrity of the clinical data submitted.

During clinical development, the sponsor often refines the indication and endpoints on which the BLA will be based. For endpoints based on patient-reported outcomes (the "PROs"), and observer-reported outcomes (the "OROs"), the process typically is an iterative one. The FDA has issued guidance on the framework it uses to evaluate PRO instruments. Although the agency may offer advice on optimizing PRO and ORO instruments during the clinical development process, the FDA usually reserves final judgment until it reviews the BLA.

Concurrent with clinical trials, companies often complete additional animal studies, and develop additional information about the chemistry and physical characteristics of the drug and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the drug candidate and, among other things, must develop methods for testing the identity, strength, quality, purity and potency of the final drug. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the drug candidate does not undergo unacceptable deterioration over its shelf life.

BLA Submission and Review

Assuming successful completion of all required clinical testing in accordance with all applicable regulatory requirements, an applicant may submit a BLA requesting licensing to market the biologic for one or more indications in the United States. The BLA must include the results of product development, non-clinical studies and clinical trials; detailed information on the product's chemistry, manufacture and controls; and proposed labeling. Under the Prescription Drug User Fee Amendments, a BLA submission is subject to an application user fee, unless a waiver or exemption applies.

The FDA will initially review the BLA for completeness before accepting it for filing. Under the FDA's procedures, the agency has 60 days from its receipt of a BLA to determine whether the application will be accepted for filing and substantive review. If the agency determines that the application does not meet this initial threshold standard, the FDA may refuse to file the application and request additional information, in which case the application must be resubmitted with the requested information and review of the application delayed.

With certain exceptions, BLAs must include a pediatric assessment, generally based on clinical trial data, of the safety and effectiveness of the biologic in relevant pediatric populations. Under certain circumstances, the FDA may waive or defer the requirement for a pediatric assessment, either at the sponsor's request or by the agency's initiative.

After the BLA is accepted for filing, the FDA reviews the BLA to determine, among other things, whether a product is safe, pure and potent and if the facility in which it is manufactured, processed, packed or held meets standards designed to assure the product's continued identity, strength, quality, safety, purity and potency. The FDA may convene an advisory committee to provide clinical insight on application review questions. Before approving a BLA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities comply with cGMP and are adequate to assure consistent production of the product within required specifications. In addition, the FDA expects that all data be reliable and accurate, and requires sponsors to implement meaningful and effective strategies to manage data integrity risks. Data integrity is an important component of the sponsor's responsibility to ensure the safety, efficacy and quality of its product or products.

The FDA will typically inspect one or more clinical sites to assure compliance with cGCP regulations before approving a BLA. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

FDA performance goals generally provide for action on a BLA within ten months of filing, which (as discussed above) typically occurs within 60 days of submission, but that deadline is extended in certain circumstances. Furthermore, the review process is often significantly extended by FDA requests for additional information or clarification.

The FDA may refer applications for novel products or products that present difficult questions of safety or efficacy to an advisory committee. Typically, an advisory committee consists of a panel that includes clinicians and other experts who will review, evaluate and provide a recommendation as to whether the application should be approved and, if so, under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions and usually has followed such recommendations.

After the FDA evaluates a BLA and conducts inspections of manufacturing facilities where the investigational product and/or its components will be produced, the FDA may issue an approval letter or a Complete Response Letter (the "CRL"). An approval letter authorizes commercial marketing of the biologic with

specific prescribing information for specific indications. A CRL will describe all of the deficiencies that the FDA has identified in the BLA, except that where the FDA determines that the data supporting the application are inadequate to support approval, the FDA may issue the CRL without first conducting required inspections, testing submitted product lots and/or reviewing proposed labeling. If and when the deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter. In issuing the CRL, the FDA may recommend actions that the applicant might take to place the BLA in condition for approval, including requests for additional data, information or clarification. The FDA may delay or refuse approval of a BLA if applicable regulatory criteria are not satisfied, and may require additional testing or information and/or require post-marketing studies and clinical trials. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

During the approval process, the FDA will determine whether a REMS is necessary to assure the safe use of the biologic. A REMS is a safety strategy to manage a known or potential serious risk associated with a product and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. If the FDA concludes that a REMS is needed, the BLA sponsor must submit a proposed REMS and the FDA will not approve the BLA without a REMS that the agency has determined is acceptable.

In addition, under the Pediatric Research Equity Act of 2003 (the "PREA"), as amended and reauthorized, certain applications or supplements must contain data that are adequate to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults, or full or partial waivers from the pediatric data requirements.

If the FDA approves a product, it may limit the approved indications for use for the product, or require that contraindications, warnings or precautions be included in the product labeling. The FDA may also require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess the drug's safety after approval. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs.

The FDA may also require testing and surveillance programs to monitor the product after commercialization. For biologics, such testing may include official lot release, which requires the manufacturer to perform certain tests on each lot of the product before it is released for distribution. The manufacturer then typically must submit samples of each lot of product to the FDA, together with a release protocol showing a summary of the history of manufacture of the lot and the results of all of the manufacturer's tests performed on the lot. The FDA may also perform certain confirmatory tests on lots of some products itself, before releasing the lots for distribution by the manufacturer.

After approval, many types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are often subject to further testing requirements and FDA review and approval, depending on the nature of the post-approval change. The FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace.

Post-Approval Requirements

Any products manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, reporting of certain deviations and adverse experiences, product sampling and distribution and

advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to FDA review and approval. There also are continuing user fee requirements, under which the FDA assesses an annual program fee for each product identified in an approved BLA. Biologic manufacturers and their third-party contractors are required to register their establishments with the FDA and certain state agencies. These establishments are subject to routine and periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP and data integrity requirements, which impose certain procedural and documentation requirements to assure quality of manufacturing and product. The FDA has increasingly observed cGMP violations involving data integrity during site inspections and investigating compliance with data integrity requirements is a significant focus of its oversight. Requirements with respect to data integrity include, among other things, controls to ensure data are complete and secure; activities documented at the time of performance; audit trail functionality; authorized access and limitations; validated computer systems; and review of records for accuracy, completeness and compliance with established standards.

Post-approval changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP, data integrity, pharmacovigilance (i.e., post-marketing safety reporting obligations) and other aspects of regulatory compliance.

The FDA may withdraw a product approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-approval studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS. Other potential consequences include:

- restrictions on the marketing or manufacturing of a product, complete withdrawal of the product from the market or product recalls;
- fines, Warning Letters, Untitled Letters or holds on post-approval clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of existing product approvals;
- product seizure or detention, or refusal of the FDA to permit the import or export of products that it believes present safety problems by issuing an Import Alert;
- permanent injunctions and consent decrees, including the imposition of civil or criminal penalties; or
- voluntary product recall.

The FDA strictly regulates the marketing, labeling, advertising and promotion of prescription drug products placed on the market. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA's regulation includes, among other things, standards and regulations for direct-to-consumer advertising, communications regarding unapproved uses, industry-sponsored scientific and educational activities and promotional activities involving the Internet and social media. Promotional claims relating to a product's safety or effectiveness are prohibited before the drug is approved. After approval, a product generally may not be promoted for uses that are not approved by the FDA, as reflected in the product's prescribing information. In the United States, healthcare professionals are generally permitted to prescribe drugs for such uses not described in the drug's labeling, known as off-label uses, because the FDA does not regulate the practice of medicine. However, FDA regulations impose rigorous restrictions on manufacturers' communications, prohibiting the promotion of off-label uses. It may be permissible, under very specific, narrow conditions, for a manufacturer to engage in non-promotional,

non-misleading communication regarding off-label information, such as distributing scientific or medical journal information.

If a company is found to have promoted off-label uses, it may become subject to adverse public relations and administrative and judicial enforcement by the FDA, the DOJ or the Office of the Inspector General of the Department of Health and Human Services, as well as other federal and state authorities. This could subject a company to a range of penalties that could have a significant commercial impact, including civil and criminal fines and agreements that materially restrict the manner in which a company promotes or distributes products. The federal government has levied large civil and criminal fines against companies for alleged improper promotion, and has also requested that companies enter into consent decrees and permanent injunctions under which specified promotional conduct is changed or curtailed.

The distribution of prescription drugs and biologics are subject to the Drug Supply Chain Security Act (the "DSCSA"), which requires manufacturers and other stakeholders to comply with product identification, tracing, verification, detection and response, notification and licensing requirements. In addition, the Prescription Drug Marketing Act (the "PDMA"), and its implementing regulations, and state laws limit the distribution of prescription pharmaceutical product samples, and the DSCSA imposes requirements to ensure accountability in distribution and to identify and remove prescription drug and biological products that may be counterfeit, stolen, contaminated, or otherwise harmful from the market.

Patent Term Restoration and Marketing Exclusivity

After approval, owners of relevant drug or biological product patents may apply for up to a five-year patent extension to restore a portion of patent term lost during product development and FDA review of a BLA if approval of the application is the first permitted commercial marketing or use of a biologic containing the active ingredient under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The allowable patent term extension is calculated as one-half of the product's testing phase, which is the time between IND and BLA submission, and all of the review phase, which is the time between BLA submission and approval, up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed more than 14 years from the date of FDA approval of the product. Only one patent claiming each approved product is eligible for restoration and the patent holder must apply for restoration within 60 days of approval. The United States Patent and Trademark Office (the "USPTO"), in consultation with the FDA, reviews and approves the application for patent term restoration.

For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and may be renewed up to four times. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the USPTO must determine that approval of the drug candidate covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug candidate for which a BLA has not been submitted.

Expedited Development and Review Programs

The FDA is required to facilitate the development and expedite the review of pharmaceutical products that are intended for the treatment of a serious or life-threatening condition for which there is no effective treatment and which demonstrate the potential to address unmet medical need for the condition. Under the fast track program, the sponsor of a new drug candidate may request the FDA to designate the product for a specific indication as a fast track product concurrent with or after the filing of the IND for the drug candidate. The FDA must determine if the drug candidate qualifies for fast track designation within 60 days after receipt of the sponsor's request.

In addition to other benefits, such as the ability to have more frequent interactions with the FDA, the agency may initiate review of sections of a fast track product's BLA before the application is complete. This rolling review is available if the applicant provides and the FDA approves a schedule for the submission of the remaining information and the applicant pays applicable user fees. However, the FDA's PDUFA review period for a fast track application does not begin until the last section of the BLA is submitted. In addition, the fast track designation may be withdrawn by the FDA if the agency believes that the designation is no longer supported by data emerging in the clinical trial process.

Healthcare Regulation

Pharmaceutical Coverage and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any products for which we may obtain regulatory approval. In the United States, sales of any products for which we may receive regulatory approval for commercial sale will depend in part on the availability of coverage and reimbursement from third-party payors. Third-party payors include government authorities, managed care providers, private health insurers and other organizations. Third-party payors establish the coverage and reimbursement policies for pharmaceutical products, and the marketability of any products for which we may receive regulatory approval for commercial sale depends on those payors' coverage policies and reimbursement rates. Third-party payors may limit coverage to specific products on an approved list, or formulary, which might not include one or more of our drug candidates, if approved. Third-party payors, together with regulators and others, are increasingly challenging the prices charged for pharmaceutical products and health services, in addition to their cost-effectiveness, safety and efficacy.

In addition, no uniform policy for coverage and reimbursement exists in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies, but also have their own methods and approval process apart from Medicare determinations. Therefore, coverage and reimbursement rates can vary significantly from payor to payor.

Moreover, obtaining coverage and adequate reimbursement is a time-consuming and costly process. We may be required to provide scientific and clinical support for the use of any product to each third-party payor separately with no assurance that approval will be obtained, and we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the cost-effectiveness of our products. We cannot be certain that our drug candidates will be considered cost-effective by third-party payors. This process could delay the market acceptance of any drug candidates for which we may receive approval and could have a negative effect on our future revenues and operating results.

Other U.S. Healthcare Laws and Compliance Requirements

In the United States, our business may be subject to healthcare fraud and abuse regulation and enforcement by both the federal government and the states in which we conduct our business, particularly once third-party reimbursement becomes available for one or more of our products. The healthcare fraud and abuse laws and regulations that may affect our ability to operate include, but are not limited to:

- The federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under the Medicare and Medicaid programs, or other federal healthcare programs;
- The federal civil and criminal false claims laws and civil monetary penalty laws, including the civil False Claims Act, or FCA, which prohibits, among other things, knowingly presenting, or causing to be

presented, claims for payment of government funds that are false or fraudulent, or knowingly making, or using or causing to be made or used, a false record or statement material to a false or fraudulent claim to avoid, decrease, or conceal an obligation to pay money to the federal government;

- The federal Health Insurance Portability and Accountability Act of 1996 (the "HIPAA"), which, among other things, prohibits executing a scheme to defraud any healthcare benefit program, including private third-party payors, and prohibits (i) knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation and (ii) making or using any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (the "HITECH"), and their respective implementing regulations, which impose requirements relating to the privacy, security and transmission of individually identifiable health information held by covered entities, including health plans, healthcare clearinghouses and certain healthcare providers, and their business associates, individuals or entities that perform certain services on behalf of a covered entity that involve the use or disclosure of individually identifiable health information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorneys' fees and costs associated with pursuing federal civil actions;
- The federal Physician Payments Sunshine Act, being implemented as the Open Payments Program, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the Centers for Medicare and Medicaid Services (the "CMS"), information related to direct or indirect payments and other transfers of value to physicians and teaching hospitals, as well as ownership and investment interests held in a company by physicians and their immediate family members. Beginning in 2022, applicable manufacturers will also be required to report information regarding payments and transfers of value provided to physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists and certified nurse-midwives; and
- U.S. state and local laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; state laws that restrict the ability of manufacturers to offer co-pay support to patients for certain prescription drugs; state laws that require drug manufacturers to report information related to clinical trials, or information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state laws that require drug manufacturers to report information on the pricing of certain drugs; state laws and local ordinances that require identification or licensing of sales representatives; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

We will be required to spend substantial time and money to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations. Even then, governmental authorities may conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If governmental authorities find that our operations violate any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual

imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, and we may be required to curtail or restructure our operations. Moreover, we expect that there will continue to be federal and state laws and regulations, proposed and implemented, that could impact our operations and business. In addition, the approval and commercialization of any drug candidate we develop outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws. The extent to which future legislation or regulations, if any, relating to health care fraud and abuse laws or enforcement, may be enacted or what effect such legislation or regulation would have on our business remains uncertain.

Healthcare Reform

In the United States there have been, and continue to be, several legislative and regulatory changes and proposed reforms of the healthcare system to contain costs, improve quality and expand access to care. In the United States, there have been and continue to be a number of healthcare-related legislative initiatives that have significantly affected the pharmaceutical industry. For example, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the "ACA"), was passed in March 2010, substantially changing the way healthcare is financed by both governmental and private insurers and significantly impacting the U.S. pharmaceutical industry. Among other things, the ACA subjects biologics to potential competition by lower-cost biosimilars; addresses a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; increases the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations; establishes annual fees and taxes on manufacturers of certain branded prescription drugs; and creates a new Medicare Part D coverage gap discount program in which, as a condition of coverage of its products under Medicare Part D, manufacturers must now agree to offer 70% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period.

Some of the provisions of the ACA have yet to be fully implemented, while certain provisions have been subject to judicial and Congressional challenges. In addition, there have been efforts by the Trump Administration to repeal or replace certain aspects of the ACA and to alter the implementation of the ACA and related laws. For example, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, bills affecting the implementation of certain taxes under the ACA have been signed into law. The Tax Cuts and Jobs Act of 2017 (the "Tax Act"), includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year commonly referred to as the "individual mandate." On January 22, 2018, President Trump signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain ACA-mandated fees, including the so-called "Cadillac" tax on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain health insurance providers based on market share and the medical device excise tax on non-exempt medical devices. The Bipartisan Budget Act of 2018 (the "BBA"), among other things, amends the ACA, effective January 1, 2019, to reduce the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole." In addition, in July 2018, the CMS issued a final rule permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under the ACA risk adjustment program in response to the outcome of federal district court litigation regarding the method CMS uses to determine this risk adjustment. Additional legislative changes or regulatory changes related to the ACA remain possible. In December 2018, a United States District Court Judge for the Northern District of Texas ruled that the entire ACA is unconstitutional because the tax penalty associated with the "individual mandate" was repealed by Congress as part of the Tax Act. This ruling is under appeal and stayed pending appeal. While the United States District Court Judge for the Northern District of Texas, as well as the Trump Administration and the CMS, have stated that the ruling will have no effect while this appeal is pending, it is unclear how this decision, subsequent appeals and

other efforts to invalidate the ACA, regulations promulgated under the ACA or portions thereof, will impact the ACA and its implementation.

Additionally, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing; reduce the cost of prescription drugs under Medicare; review the relationship between pricing and manufacturer patient programs; and reform government program reimbursement methodologies for drugs. For example, the Trump Administration released a “Blueprint” to lower drug prices and reduce out-of-pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out-of-pocket costs of drug products paid by consumers. On January 31, 2019, Office of the Inspector General of the Department of Health and Human Services proposed modifications to the federal Anti-Kickback Statute discount safe harbor for the purpose of reducing the cost of drug products to consumers which, among other things, if finalized, will remove safe harbor protection from rebates paid by manufacturers to Medicare Part D plans, Medicaid managed care organizations and pharmacy benefit managers working with these organizations. Although a number of these, and other proposed measures may require additional authorization to become effective, Congress and the Trump Administration have each indicated that they will continue to seek new legislative and/or administrative measures to control drug costs. Individual states in the United States have also increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement limitations, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs.

Moreover, on May 30, 2018, the Right to Try Act was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a pharmaceutical manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

Directors and Executive Officers	Age	Position/Title
Jingwu Zhang Zang, M.D., Ph.D.	63	Founder and Director
Zheru Zhang, Ph.D.	56	Director and President
Huaqiong Shen (Joan), M.D., Ph.D.	57	Director and Head of Research and Development
Jielun Zhu	43	Director and Chief Financial Officer
Wei Fu	37	Director
Mengjiao Jiang	38	Director
Jie Yu	44	Director
Lin Li, Ph.D.	40	Director
Lili Qian, Ph.D.	37	Vice President of Operations
Weimin Tang, Ph.D.	53	Executive Vice President of Global Business Development
Yunhan Lin (Raven), Ph.D.	41	Vice President of Corporate Development

Jingwu Zhang Zang, M.D., Ph.D., is our founder and director. Prior to founding our company, Dr. Zang served as the chief scientific officer and president of Simcere Pharmaceutical Group from July 2013 to April 2016. Dr. Zang held senior management positions at GlaxoSmithKline (GSK), as the global senior vice president and head of GSK's Research and Development in China from April 2007 to June 2013. The academic career of Dr. Zang started in Dr. Willems Institute and University of Limburg in Belgium. Dr. Zang became a professor at Baylor College of Medicine in Houston and later joined the Chinese Academy of Sciences as the founding director of the Institute of Health Sciences and as a co-director of Institute Pasteur Shanghai, an independent non-profit life science institute to address public health problems in China, where he served as its director from October 2004 to September 2008. Dr. Zang also served as a director of Institute of Health, Chinese Academy of Sciences, Shanghai Institute of Immunology from June 2002 to April 2007. Dr. Zang received his M.D. from Shanghai Second Medical University (now part of Shanghai Jiaotong University) in 1984, and his Ph.D. in neuroimmunology from the University of Brussels in 1990. Dr. Zang conducted his post-doctoral work at Harvard Medical School in 1992, and obtained his U.S. medical license from the Texas Medical Board through a clinical residency at Baylor College of Medicine in Houston.

Zheru Zhang, Ph.D., has served as our director and president since September 2017. Prior to joining our company, Dr. Zhang served as the president at Tasgen Bio-tech (Tianjin) Co., Ltd. from November 2015 to April 2017, as the chief executive officer at Shanghai JMT-Bio Co., Ltd. from October 2012 to October 2015, as a vice president, research and development at Celltrion Inc. from March 2008 to October 2012, as a group leader for the development of analytics and drug products at Johnson & Johnson (NYSE: JNJ) from January 2006 to March 2008, and as a research investigator at Bristol-Myers Squibb Company from May 2000 to January 2006, focusing on bioanalytical development and protein therapeutics development, respectively. Dr. Zhang received his master's degree in chemistry from Suzhou University in 1991, and his Ph.D. in chemistry from University of Alberta in Canada in 2000.

Huaqiong Shen (Joan), M.D., Ph.D., has served as our head of discovery and clinical development since September 2017 and as our director since July 2019. Prior to joining our company, Dr. Shen served as the vice president and development head of Janssen Pharmaceutical Companies of Johnson & Johnson from September 2015 to September 2017. Dr. Shen was the chief medical officer and vice president in Jiangsu Hengrui Medicine, Co., Ltd. (SHA: 600276) from May 2013 to August 2015. Dr. Shen served as the head of the China clinical department and a senior director at Pfizer (China) Research and Development Co., Ltd. from August 2011 to

May 2013. Prior to that, Dr. Shen worked as a senior medical director at Pfizer Inc. (NYSE: PFE) from November 2009 to August 2011. From August 2005 to November 2009, Dr. Shen was the medical director at Wyeth Research, a leading pharmaceutical company. Dr. Shen worked as a clinical research physician at Eli Lilly and Company (NYSE: LLY) from September 2003 to August 2005. Dr. Shen received her M.D. from Southeast University Medical College in 1983, master's degree in anatomy from West China University of Medical Sciences, currently Sichuan University School of Medicine in 1989, and her Ph.D. in anatomy/neuroscience from the Indiana University School of Medicine in 1996.

Jielun Zhu has served as our chief financial officer since August 2018 and as our director since July 2019. Prior to joining our company, Mr. Zhu held positions as a managing director and the head of healthcare investment banking, Asia, at Jefferies Hong Kong Limited from December 2015 to July 2018, advising biotechnology and healthcare clients globally on initial public offerings, mergers and acquisitions and other strategic transactions. From August 2008 to December 2015, Mr. Zhu worked at the Deutsche Bank Group in its Hong Kong branch, with his last position being a director in the corporate finance division. He worked as an investment banker at UBS Investment Bank in Hong Kong from July 2007 to July 2008. Mr. Zhu received his bachelor's degree of arts with honors in mathematics-economics from Wesleyan University in May 2000 and master's degree in business administration from the Harvard Business School with Distinction in June 2007. Mr. Zhu was awarded the Chartered Financial Analyst (CFA) charter by the CFA Institute in January 2012.

Wei Fu has served as our director since June 2018. Mr. Fu was appointed by the C-Bridge entities pursuant to our shareholders agreement dated July 6, 2018. Mr. Fu has served as the chief executive officer and a managing partner of C-Bridge Capital Investment Management, Ltd. since April 2014. Mr. Fu currently also serves on the board of several private companies. From August 2011 to December 2013, Mr. Fu served as the general manager of the investment department at Far East Horizon International, a financial services organization. Mr. Fu served as a partner and the head of the Beijing office of Themes Investment Management Ltd, a private equity firm specializing in healthcare and environmental businesses, from July 2010 to July 2011. From March 2008 to April 2010, Mr. Fu worked as an associate director of the private equity department at Standard Chartered Business Consulting (Beijing) Co., Ltd, where he was mainly responsible for private equity investment in relation to infrastructure projects. Mr. Fu received his bachelor's degree in electrical engineering and business administration from Nanyang Technological University in Singapore in February 2005.

Mengjiao Jiang has served as our director since September 2017. Ms. Jiang was appointed by the C-Bridge entities pursuant to our shareholders agreement dated July 6, 2018. Ms. Jiang is a managing director of C-Bridge Capital Investment Management, Ltd., a healthcare-dedicated private equity firm, and has served as a partner and a managing director since January, 2014. Ms. Jiang currently also serves on the board of several private companies. Ms. Jiang served as a director at International Far East Horizon International, a financial services organization, from March 2012 to December 2013. Prior to that, Ms. Jiang served at ARC China Inc. as a managing director from May 2008 to June 2011. Ms. Jiang received her bachelor's degree in economics with a political science double major from Wellesley College in Massachusetts in May 2003.

Jie Yu has served as our director since July 2019. Mr. Yu was appointed by the Tasly entities pursuant to our shareholders agreement dated July 6, 2018. Mr. Yu has served as the secretary of the board at Tasly Pharmaceutical Group Co., Ltd. since November 2016. Prior to that, Mr. Yu was a director of brand management office at China Minsheng Investment Co., Ltd., an international private capital investment group, from March 2015 to October 2016. Mr. Yu worked as the head of the brand management department and the head of Chinese media affairs department at Huawei Technologies Co., Ltd. from April 2001 to March 2015. Mr. Yu received his bachelor's degree in management from Harbin Normal University in 1998 and master's degree in management from Northeast Forestry University in 2001.

Lin Li, Ph.D. has served as our director since July 2018. Dr. Li was appointed by the Hony entity pursuant to our shareholders agreement dated July 6, 2018. Dr. Li has served as an investment director at Hony Capital since December 2016. Dr. Li worked as an associate at Snow Lake Capital (HK) Limited from November 2014 to

November 2016. Dr. Li served as a senior investment manager in the cross-border investment group at Hony Capital from April 2012 to October 2014. Prior to that, he worked as an associate in the corporate finance department of Goldman Sachs Gao Hua Securities Company Limited in Beijing from July 2010 to April 2012. Dr. Li received his bachelor's degree in biology from Peking University in July 2000, Ph.D. in biology from Boston University in 2006, and master's degree in business administration from the Harvard Business School in 2010.

Lili Qian, Ph.D., has served as the vice president of operations since June 2016 and our director from September 2017 to July 2019. Dr. Qian worked at Bioscikin Biopharma Technology Co., Ltd. from January 2016 to May 2016, serving as the secretary to the board of directors and president office manager. Prior to that, Dr. Qian held various positions at Simcere Pharmaceutical Group as the president assistant and a project management manager from October 2013 to December 2015, and as a business development manager from July 2013 to October 2013. She was the project leader of the national key laboratory of protein and plant genetic engineering at Peking University from September 2007 to June 2013. Dr. Qian received her bachelor's degree in biochemistry from University of British Columbia in 2005 and her Ph.D. in biochemistry and molecular biology from Peking University in 2013.

Weiming Tang, Ph.D., has served as our executive vice president of global business development since April 2018. Prior to joining our company, Dr. Tang served as an executive director and a business director at Hengrui Therapeutics, Inc. from July 2015 to April 2018. Dr. Tang served as the vice president and a business director at Crown Bioscience Inc., a pre-clinical contract research organization, from July 2011 to July 2015. Prior to that, Dr. Tang served as the vice president and a business director at ShanghaiBio Corporation Shanghai Biotechnology Cooperation, a biotech company based in Shanghai, from October 2010 to July 2011. Dr. Tang received his bachelor's degree in plant pathology from Zhejiang University in 1986, master's degree in microbiology from Chinese Academy of Sciences in 1989, and Ph.D. in biochemistry from Rutgers University, New Jersey in 1997.

Yunhan Lin (Raven), Ph.D., has served as our vice president of corporate development since September 2017. Prior to joining our Company, Dr. Lin served as the head of business development at Mycenax Biotech Inc., a Taiwan-based public pharmaceutical company, from January 2016 to September 2017. Prior to that, Dr. Lin served as the head of business development at SynCore Biotechnology Co., Ltd, a Taiwan-based public biopharmaceutical company, from February 2012 to December 2015. Dr. Lin worked as a science project deputy manager at Sinphar Pharmaceutical Co, Ltd., a Taiwan-based pharmaceutical company, from September 2001 to January 2012. Dr. Lin received his bachelor's degree in applied chemistry from Providence University, Taiwan in 2000, master's degree in chemistry from Fu Jen Catholic University, Taiwan in 2003, and Ph.D. in chemistry from Tamkang University, Taiwan in 2008.

Our Scientific Advisory Board

The members of our scientific advisory board provide scientific, portfolio and project strategy advice to us, including the evaluation of research and development strategies. The members of our scientific advisory board receive cash compensation for their services.

Howard Weiner, M.D., has served on our scientific advisory board since July 2019. Dr. Weiner is the Robert L. Kroc Professor of Neurology at the Harvard Medical School, Director of the Partners Multiple Sclerosis ("MS") Center and Co-Director of Center for Neurologic Diseases at Brigham & Women's Hospital in Boston. The Partners MS Center is the first integrated MS Center that combines clinical care, MRI imaging and immune monitoring to the MS patient as part of the 2000 patient CLIMB cohort study. Dr. Weiner has pioneered immunotherapy in MS and has investigated immune mechanisms in nervous system diseases including MS, Alzheimer's disease, amyotrophic lateral sclerosis, stroke and brain tumors. Dr. Weiner has also pioneered the investigation of the mucosal immune system for the treatment of autoimmune and other diseases and the use of anti-CD3 to induce regulatory T cells for the treatment of these diseases.

Eric K. Rowinsky, M.D., has served on our scientific advisory board since June 2019. Dr. Rowinsky is an independent consultant and/or board member of various public and private companies and not-for-profit efforts. Since 2017, Dr. Rowinsky has served as an advisor to C-Bridge Capital and the U.S. Chief Medical Officer for Everest Medicines, Inc. Since 2015, Dr. Rowinsky has served as an Executive Director and President at Rgenix Inc. and as the Chief Scientific Officer of Clearpath Development Co. From 2005 to 2015, Dr. Rowinsky held various positions with various biotechnology companies. At ImClone Systems (now a wholly-owned subsidiary of Eli Lilly), Dr. Rowinsky and his team developed and registered cetuximab (Erbitux) and ramucirumab in five indications and two other monoclonal antibodies in North America and elsewhere. Dr. Rowinsky has been an Adjunct Professor of Medicine at New York University School of Medicine since 2005. From 1987 to 2005, Dr. Rowinsky held various academic and research positions with various universities and research institutions including the Institute for Drug Development of the Cancer Therapy and Research Center in San Antonio, where he held the SBC Endowed Chair for Early Drug Development, and the Johns Hopkins University School of Medicine.
Dr. Rowinsky received his B.A. degree from New York University and his M.D. from the Vanderbilt University School of Medicine and completed fellowship training at the Johns Hopkins University School of Medicine. Dr. Rowinsky received the career development award of the American Cancer Society and the 6th Annual Emil J. Freireich Award. He has also served on the Board of Scientific Counselors of the NCI. Dr. Rowinsky is the Editor-in-Chief of Investigational New Drugs, an Editorial Board Member of Cancer Research and several other oncology journals.

Patricia LoRusso, D.O., M.A., Ph.D., has served on our scientific advisory board since July 2019. Dr. LoRusso is currently a professor of medicine and a clinical scholar in medical oncology and Associate Director of Innovative Medicine at Yale Cancer Center in New Haven, Connecticut, USA, where she is also Director of Early Therapeutics Disease-Aligned Team. Dr LoRusso's expertise is in testing new treatments on patient volunteers with advanced-stage cancer. She heads the early clinical trials program at Yale Cancer Center. She has served as the co-leader of the Stand Up To Cancer/Melanoma Research Alliance–funded Melanoma Dream Team, a Komen Promise grant co-Principal Investigator, and has been a Principal Investigator of the National Cancer Institute Phase 1/early phase clinical trials program grant in excess of 20 years. She is currently primary investigator or co-investigator of numerous clinical trials. Prior to joining Yale in August 2014, Dr. LoRusso served in numerous leadership roles at Wayne State University's Barbara Karmanos Cancer Institute for more than 25 years, most recently as director of the Phase 1 Clinical Trials Program and of the Eisenberg Center for Experimental Therapeutics. Dr. LoRusso also worked as a director in Karmanos Cancer Institute, a cancer research and provider network, from 1997 to 2014.Dr. LoRusso received her B.A. degree of science in religion/religious studies and biology, her master's degree at Yale University, her D.O. and Ph.D. from Michigan State University, and completed fellowship training at Wayne State University. Dr. LuRosso served as co-chair of the National Cancer Institute Cancer Therapy Evaluation Program (NCI CTEP) Investigational Drug Steering Committee, a prior parent member of the NCI's Quick Trials Clinical Subcommittee, and has served as either an ad hoc or an appointed member on multiple study sections and has reviewed for Komen Promise grants, numerous SPORE and P01 study sections, and translational research grants. She has served on the education and scientific committees of the American Society of Clinical Oncology, the Scientific Committee of the American Association for Cancer Research as well as a Vice-Chair for the 2019 AACR annual meeting. She is a member of the NCI Board of Scientific Council and has served on the Board of Directors for the American Association for Cancer Research.

Yi-Long Wu, M.D., FACS, has served on our scientific advisory board since August 2019. YI-Long Wu is a tenured professor of Guangdong Provincial People's Hospital, Guangdong Academy of Medical Sciences and Guangdong Lung Cancer Institute. He is the former President of Chinese Society of Clinical Oncology (CSCO), the Chief of the WUJIEPING Oncology Medical Foundation, the vice-director of the Precision Medicine of the Chinese Medical Doctor Association, the President of Chinese Thoracic Oncology Group (C-TONG), the President of International Chinese Society of Thoracic Surgery (ICSTS), a Fellow of the American College of Surgeons, a Member of Board of Directors of the International Association Study of Lung Cancer (IASLC), the Chairman of European Society for Medical Oncology (ESMO) in China, the Chairman of Federation of Asia Clinical Oncology (FACO), a past Member of the International Affairs Committee of American Society of

Clinical Oncology (ASCO), and a former Member of staging committee of the IASLC. He graduated from Sun Yat-sen University of Medical Sciences in 1982 and completed his thoracic surgery training in Germany in 1989. His main research interests are the multidisciplinary synthetic therapy on lung cancer in translation medicine and evidence-based medicine in oncology. He is leading the Chinese lung cancer research field and has been the Principal Investigator or Co-PI of more than 120 international or national multicenter clinical trials. He has contributed 20 books on cancer and has published more than 300 articles in peer-reviewed journals including *J Clin Oncol*, *Lancet Oncol*, *New Engl J Med*, *Cancer Cell and J Thorac Oncol*. He also serves on the editorial boards of *Cancer Letters*, *Annals of Surgical Oncology*, *Lung Cancer Management*, *International Journal of Biological Marker and General Thoracic and Cardiovascular Surgery*. He is Editor-in-Chief of *Journal of Evidence-based Medicine*, *Journal of Thoracic Oncology (Chinese Edition), and The Oncologist (Chinese Edition)* etc.

Timothy Yap, Ph.D., has served on our scientific advisory board since August 2019. Dr. Yap is a medical oncologist and physician-scientist based at the University of Texas MD Anderson Cancer Center. He is an Associate Professor in the Department for Investigational Cancer Therapeutics (Phase I Program), and the Department of Thoracic/Head and Neck Medical Oncology. Dr. Yap is the Medical Director of the Institute for Applied Cancer Science, a drug discovery biopharmaceutical unit where drug discovery and clinical translation are seamlessly integrated. He is also the Associate Director of Translational Research in the Institute for Personalized Cancer Therapy, which is an integrated research and clinical trials program aimed at implementing personalized cancer therapy and improving patient outcomes. Prior to his current position, Dr. Yap was a Consultant Medical Oncologist at The Royal Marsden Hospital in London, UK and National Institute for Health Research BRC Clinician Scientist at The Institute of Cancer Research, London, UK. Dr. Yap gained his BSc degree with First Class Honors in Immunology and Infectious Diseases at Imperial College London, UK, and was awarded the Huggett Memorial Prize. His BSc laboratory research involved an immunogenetics study under the supervision of Professor Charles Bangham. He subsequently went on to attain his Medical degree from Imperial College London, UK, before completing general medical training in Oxford. Dr. Yap's main research focuses on the first-in-human and combinatorial development of molecularly targeted agents and immunotherapies, and their acceleration through clinical studies using novel predictive and pharmacodynamic biomarkers. Dr. Yap leads immuno-oncology clinical and associated translational studies, including novel agents targeting PD-1/PD-L1, ICOS, IDO, LAG3, TIM3, STING, TGFbeta, adenosine A2A receptor and fucosylation. He was previously the UK Chief Investigator for the CheckMate 331 Phase III trial in relapsed small cell lung cancer and the KEYNOTE-158 Phase II biomarker study in advanced solid tumors and multiple novel immunotherapy combination phase I trials.

Certain Past Incidents

From June 2007 to June 2013, our founder, Dr. Jingwu Zhang Zang worked and held senior management positions at GlaxoSmithKline ("GSK"), as a global senior vice president, and head of GSK's Research and Development in China. Dr. Zang was dismissed by GSK in June 2013 after GSK became aware of misrepresentation of certain data in a research paper entitled "Crucial role of interleukin-7 in T helper type 17 survival and expansion in autoimmune disease," which was prepared by scientists at GSK China's research center and published in Nature Medicine in 2010. Dr. Zang was the corresponding author of the paper, primarily handling manuscript editing and communications with editors and reviewers of the paper. According to Dr. Zang and the first author of the paper, Dr. Zang, as the head of GSK China's research center and a member of GSK's global senior management, was neither involved in nor aware of the mislabeled samples relating to the misrepresented data referenced in the paper at the time when the paper was prepared and published. Nonetheless, Dr. Zang admitted his management oversight as the corresponding author and agreed to retract the paper. The paper was retracted by GSK in September 2013.

From 1996 to 2002, Dr. Zang was employed by Baylor College of Medicine in Houston, Texas initially as an associate professor and was later promoted to full professor. At that time, Dr. Zang's team was conducting a clinical study on T-cell vaccination for the treatment of multiple sclerosis after approval by Baylor's Institutional

Review Board ("IRB"). Dr. Zang was led to believe that such clinical research would not require FDA approval. In March 1999, the Food and Drug Administration, or the FDA, issued a warning letter to Dr. Zang stating that the clinical study did require IND approval from the FDA in addition to the approval from the IRB and requested the study to be suspended. The study was suspended and later re-initiated and successfully completed after the IND approval was obtained.

To the best of our knowledge, Dr. Zang was not and is not subject to any legal or regulatory charges, proceedings or disciplinary actions in connection with the above incidents.

For risks related to the above incidents, please see "Risk Factors—Risks Related to Our Industry, Business and Operations—Negative publicity with respect to us, our management, employees, business partners, affiliates, or our industry, may materially and adversely affect our reputation, business, results of operations and prospect."

For the measures and systems we have in place to ensure the integrity and legal compliance of our R&D process and business operations, please see "Business—R&D Governance" and "Business—Quality Control and Assurance."

Board of Directors

Our board of directors will consist of directors upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus forms a part. A director is not required to hold any shares in our company by way of qualification. A director may vote with respect to any contract, proposed contract or arrangement in which he is materially interested, provided that (a) such director, if his or her interest in such contract or arrangement is material, has declared the nature of his or her interest at the earliest meeting of the board at which it is practicable for him or her to do so, either specifically or by way of a general notice and (b) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The directors may exercise all the powers of our company to borrow money, mortgage its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of our company or of any third party. None of our directors who are not our executive officers has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We will establish three committees under the board of directors immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus forms a part: an audit committee, a compensation committee and a nominating and corporate governance committee. We will adopt a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee will consist of , and . will be the chairman of our audit committee. We have determined that each of , and satisfies the "independence" requirements of [Rule 5605(c)(2) of the Nasdaq Stock Market Rules] and meets the independence standards under Rule 10A-3 under the Exchange Act. We have determined that qualifies as an "audit committee financial expert." The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;

- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee will consist of , and . will be the chairman of our compensation committee. We have determined that each of , and satisfies the "independence" requirements of [Rule 5605(a)(2) of the Nasdaq Stock Market Rules]. The compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee will be responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our directors who are not our employees;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will consist of , and . will be the chairman of our nominating and corporate governance committee. We have determined that each of , and satisfies the "independence" requirements of [Rule 5605(a)(2) of the Nasdaq Stock Market Rules]. The nominating and corporate governance committee will assist the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee will be responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also have a duty to exercise skills they actually possess and with such care and diligence that a reasonably prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than what may reasonably be expected from a person of his or her knowledge and

experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care, and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended from time to time, and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain limited circumstances have the right to seek damages in our name if a duty owed by the directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and other distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

Our directors may be elected by an ordinary resolution of our shareholders. Alternatively, our board of directors may, by the affirmative vote of a simple majority of the directors present and voting at a board meeting appoint any person as a director to fill a casual vacancy on our board or as an addition to the existing board. Our directors are not automatically subject to a term of office and hold office until such time as they are removed from office by an ordinary resolution of our shareholders. In addition, a director will cease to be a director if he or she (i) becomes bankrupt or makes any arrangement or composition with his or her creditors; (ii) dies or is found to be or becomes of unsound mind; (iii) resigns his or her office by notice in writing; (iv) without special leave of absence from our board, is absent from meetings of our board for three consecutive meetings and our board resolves that his or her office be vacated; or (v) is removed from office pursuant to any other provision of our articles of association.

Our officers are appointed by and serve at the discretion of the board of directors, and may be removed by our board of directors.

[Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. We may also terminate an executive officer's employment without cause upon a three month prior written notice. In such case of termination by us, we will provide severance payments to the executive officer as expressly required by applicable law of the jurisdiction where the executive officer is based. The executive officer may resign at any time with a three month prior written notice.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The

executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) approach our suppliers, clients, customers or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination, without our express consent.

We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.]

Compensation of Directors and Executive Officers

For the fiscal year ended December 31, 2018, we paid an aggregate of approximately RMB22.1 million (US$3.2 million) in cash to our executive officers, and we did not pay any compensation to our directors who are not our executive officers. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC subsidiaries are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

Share Incentive Plans

Amended and Restated 2017 Employee Stock Option Plan

In 2017, we adopted an equity incentive plan, as amended and restated in 2019, which we refer to as the 2017 Plan, to secure and retain the services of valuable employees, directors or consultants, and provide incentives for such persons to exert their best efforts for the success of our business. Pursuant to the 2017 Plan, the maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the 2017 Plan is 13,376,865, subject to further amendment. As of the date of this prospectus, awards to purchase 9,879,381 ordinary shares under the 2017 Plan have been granted and outstanding, excluding awards that were forfeited or cancelled after the relevant grant dates.

The following paragraphs describe the principal terms of the 2017 Plan.

Types of awards. The 2017 Plan permits the awards of options.

Plan administration. Our board of directors will administer the 2017 Plan. The board of directors will determine, among other things, the participants to receive options, the number and subscription price of options to be granted to each participant, and the terms and conditions of each option granted.

Offer letter. Options granted under the 2017 Plan are evidenced by an offer letter that sets forth terms, conditions and limitations for each option, which may include the term of the option, and the provisions applicable in the event that the grantee's employment or service terminates.

Eligible participants. We may grant awards to employees, officers, directors, contractors, advisors and consultants of our company.

Vesting schedule. Unless otherwise approved by the board of directors and set forth in an offer letter, the vesting schedule shall be a three-year vesting schedule consisting of a cliff vesting 50% on the second anniversary of the applicable vesting commencement date, and a vesting of the remaining 50% on the third anniversary of the applicable vesting commencement date. Except as otherwise approved by the board of directors, vested portion of option shall become exercisable upon the earlier of a listing or the occurrence of a change in control.

Exercise of options. The board of directors determines the subscription price for each option, which is stated in the offer letter. The vested portion of each option will expire if not exercised prior to the time as the board of directors determines at the time of its grant. However, the maximum exercisable term is ten years from the applicable vesting commencement date or such shorter period specified in the award agreement. Further, an option will lapse upon the earliest of, among other circumstances, two years after the date when the option becomes exercisable upon the listing or the occurrence of a change in control, and a violation in transfer restrictions.

Transfer restrictions. Options may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the 2017 Plan or the relevant offer letter or otherwise determined by the board of directors, such as transfers by will or the laws of descent and distribution.

Termination and amendment of the 2017 Plan. Unless terminated earlier, the 2017 Plan has a term of ten years. The board of directors has the authority to amend, suspend or terminate the plan, subject to the limitations of applicable laws. No amendment, suspension or termination may adversely affect in any material way any awards previously granted pursuant to the 2017 Plan unless agreed to by the participant.

The following table summarizes, as of the date of this prospectus, the number of ordinary shares under our outstanding options that we granted under the 2017 Plan to several of our directors and executive officers, excluding awards that were forfeited or cancelled after the relevant grant dates.

Name	Ordinary Shares Underlying Outstanding Options Granted	Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Zheru Zhang	1,505,128	1.00	October 1, 2017	October 1, 2027
Huaqiong Shen	1,505,128	1.00	October 1, 2017	October 1, 2027
Jielun Zhu	1,125,000	1.00	August 1, 2018	October 1, 2027
Weimin Tang	*	1.00	April 2, 2018	October 1, 2027
Yunhan Lin	*	1.00	October 1, 2017	October 1, 2027
Lili Qian	*	1.00	October 1, 2017	October 1, 2027
Other grantees	4,933,377	1.00	October 1, 2017 to July 25, 2019	October 1, 2027
Total	9,879,381			

Note:
* Less than 1% of our total outstanding shares.

2018 Employee Stock Option Plan

In 2019, we adopted an equity incentive plan, which we refer to as the 2018 Plan, to secure and retain the services of valuable employees, directors or consultants, and provide incentives for such persons to exert their best efforts for the success of our business. Pursuant to the 2018 Plan, the maximum aggregate number of

ordinary shares which may be issued pursuant to all awards under the 2018 Plan is 14,005,745, subject to further amendment. If we successfully list on an internationally recognized securities exchange for a qualified public offering by December 31, 2019, the maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the 2018 Plan shall be 15,452,620. As of the date of this prospectus, awards to purchase 13,536,588 ordinary shares under the 2018 Plan have been granted and outstanding, excluding awards that were forfeited or cancelled after the relevant grant dates.

The following paragraphs describe the principal terms of the 2018 Plan.

Types of awards. The 2018 Plan permits the awards of options.

Plan administration. Our board of directors will administer the 2018 Plan. The board of directors will determine, among other things, the participants to receive options, the number and subscription price of options to be granted to each participant, and the terms and conditions of each option granted.

Offer letter. Options granted under the 2018 Plan are evidenced by an offer letter that sets forth terms, conditions and limitations for each option, which may include the term of the option, and the provisions applicable in the event that the grantee's employment or service terminates.

Eligible participants. We may grant awards to employees or if approved by the board, designee of any employee.

Vesting schedule. Unless otherwise approved by the board of directors and set forth in an offer letter, the vesting schedule shall be a two-year vesting schedule consisting of a cliff vesting 50% on the first anniversary of the applicable vesting commencement date, and a vesting of the remaining 50% on the second anniversary of the applicable vesting commencement date. Notwithstanding the foregoing, if a listing occurs at anytime prior to any option granted under the 2018 Plan becoming full vested, and to the extent such option has been granted and outstanding, any such option shall vest in full with immediate effect upon the listing. Except as otherwise approved by the board of directors, vested portion of option shall become exercisable upon the earlier of six months after a listing or the occurrence of a change in control; provided, however that in each case, no option of an employee shall become exercisable until the third anniversary of such employee's employment commencement date.

Exercise of options. The board of directors determines the subscription price for each option, which is stated in the offer letter. The vested portion of each option will expire if not exercised prior to the time as the board of directors determines at the time of its grant. However, the maximum exercisable term is ten years from the applicable vesting commencement date or such shorter period specified in the award agreement. Further, an option will lapse upon the earliest of, among other circumstances, two years after the date when the option becomes exercisable upon the listing or the occurrence of a change in control, and a violation in transfer restrictions.

Transfer restrictions. Options may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the 2018 Plan or the relevant offer letter or otherwise determined by the board of directors, such as transfers by will or the laws of descent and distribution.

Termination and amendment of the 2018 Plan. Unless terminated earlier, the 2018 Plan has a term of ten years. The board of directors has the authority to amend, suspend or terminate the plan, subject to the limitations of applicable laws. No amendment, suspension or termination may adversely affect in any material way any awards previously granted pursuant to the 2018 Plan unless agreed to by the participant.

The following table summarizes, as of the date of this prospectus, the number of ordinary shares under our outstanding options that we granted under the 2018 Plan to several of our directors and executive officers, excluding awards that were forfeited or cancelled after the relevant grant dates.

Name	Ordinary Shares Underlying Outstanding Options Granted	Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Jingwu Zhang Zang	10,438,088	1.00	February 22, 2019	February 22, 2029
Zheru Zhang	*	1.00	July 25, 2019	February 22, 2029
Huaqiong Shen	*	1.00	July 25, 2019	February 22, 2029
Jielun Zhu	*	1.00	July 25, 2019	February 22, 2029
Weimin Tang	*	1.00	July 25, 2019	February 22, 2029
Yunhan Lin	*	1.00	July 25, 2019	February 22, 2029
Lili Qian	*	1.00	July 25, 2019	February 22, 2029
Other grantees	1,110,209	1.00	July 25, 2019	February 22, 2029
Total	13,536,588			

Note:
* Less than 1% of our total outstanding shares.

PRINCIPAL SHAREHOLDERS

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares on an as-converted basis as of the date of this prospectus by:

- each of our directors and executive officers; and
- each person known to us to own beneficially 5% or more of our ordinary shares.

The calculations in the table below are based on 99,942,347 ordinary shares on an as-converted basis outstanding as of the date of this prospectus, and ordinary shares outstanding immediately after the completion of this offering, assuming the underwriters do not exercise their over-allotment option.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned Prior to This Offering		Ordinary Shares Beneficially Owned Immediately After This Offering	
	Number	%	Number	%
Directors and Executive Officers:				
Jingwu Zhang Zang(1)	14,370,201	13.0		
Zheru Zhang(2)	1,025,232	1.0		
Huaqiong Shen (Joan)	*	*		
Wei Fu(3)	40,395,989	40.4		
Mengjiao Jiang	—	—		
Jie Yu	—	—		
Lin Li	—	—		
Lili Qian	*	*		
Jielun Zhu	—	—		
Weimin Tang	—	—		
Yunhan Lin (Raven)	*	*		
All Directors and Executive Officers as a Group	57,491,313	50.8		
Principal Shareholders:				
C-Bridge entities(3)	40,395,989	40.4		
Tasly entities(4)	15,852,781	15.9		
Hony entity(5)	8,537,749	8.5		
Genexine(6)	9,261,823	9.2		

Notes:

* Less than 1% of our total ordinary shares on an as-converted basis outstanding as of the date of this prospectus.

** Except as otherwise indicated below, the business address of our directors and executive officers is Suite 802, West Tower, OmniVision, 88 Shangke Road, Pudong District, Shanghai, China. The business address of Wei Fu and Mengjiao Jiang is Suite 3306-3307, Two Exchange Square, 8 Connaught Place, Central, Hong Kong. The business address of Jie Yu is Tianshili Great Health City, No. 2, East Puji River Road, Beichen District, Tianjin, China. The business address of Lin Li is 6F, South Tower C, Raycom Info Tech Park, No.2, Kexueyuan South Road, Haidian District, Beijing, China.

(1) Represents (i) 3,932,113 ordinary shares directly held by Mabcore Limited, a British Virgin Islands company. Dr. Zang, through himself and The Jingwu Zhang Zang 2018 Retained Annuity Trust, owns a 55.6% equity interest in Mabcore Limited. Lili Qian and two other individuals own the remaining equity

interest in Mabcore Limited, and (ii) 10,438,088 ordinary shares issuable upon exercise of options exercisable within 60 days after the date of this prospectus held by Dr. Zang. Dr. Zang is the sole director of Mabcore Limited. The Jingwu Zhang Zang 2018 Retained Annuity Trust was established under the laws of New York and is managed by Dr. Zang, as the trustee, the settlor and the sole beneficiary. Pursuant to the currently effective memorandum and articles of association of Mabcore Limited, Dr. Zang, as the sole director, has the power to direct the actions of Mabcore Limited, including the voting and disposal of Mabcore Limited's shares in I-Mab. Accordingly, Dr. Zang is deemed to indirectly own all of the 3,932,113 ordinary shares held by Mabcore Limited, while Dr. Qian and the other two individuals are only entitled to their respective pro-rata economic interest in Mabcore Limited.

(2) Represents 1,025,232 ordinary shares issuable upon exercise of options exercisable within 60 days after the date of this prospectus held by Zheru Zhang.

(3) Represents 40,395,989 ordinary shares issuable upon the conversion of (i) 4,629,231 Series A-1 preferred shares and 512,356 Series A-2 preferred shares held by IBC Investment Seven Limited, a Hong Kong limited liability company, (ii) 8,361,823 Series A-3 preferred shares held by CBC SPVII LIMITED, a Hong Kong limited liability company, (iii) 14,089,714 Series B preferred shares, 2,247,321 Series B-1 preferred shares, and 1,997,618 Series B-2 preferred shares held by CBC Investment I-Mab Limited, a British Virgin Islands limited liability company, and (iv) 1,804,880 Series B preferred shares, 287,880 Series B-1 preferred shares, and 255,894 Series B-2 preferred shares held by C-Bridge II Investment Ten Limited, a British Virgin Islands limited liability company, and (v) 6,209,272 Series C preferred shares directly held by C-Bridge II Investment Seven Limited, a British Virgin Islands limited liability company. IBC Investment Seven Limited, CBC SPVII LIMITED, CBC Investment I-Mab Limited, C-Bridge II Investment Ten Limited and C-Bridge II Investment Seven Limited are collectively referred to as the C-Bridge entities. CBC Investment I-Mab Limited, C-Bridge II Investment Ten Limited and C-Bridge II Investment Seven Limited are controlled by C-Bridge Healthcare Fund II, L.P., whose general partner is C-Bridge Healthcare Fund GP II, L.P., and its general partner is C-Bridge Capital GP, Ltd. CBC SPVII Limited and IBC Investment Seven Limited are controlled by I-Bridge Healthcare Fund, L.P., whose general partner is I-Bridge Healthcare GP, L.P., and its general partner is I-Bridge Capital GP, Ltd., which is indirectly controlled by C-Bridge Capital GP, Ltd. Wei Fu is the sole director of C-Bridge Capital GP, Ltd. The business address of C-Bridge entities is Suite 3306-3307, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

(4) Represents 15,852,781 ordinary shares issuable upon the conversion of (i) 8,361,823 Series A-3 preferred shares and 5,938,640 Series B preferred shares held by Tasly Biopharm Limited, a British Virgin Islands limited liability company, and (ii) 1,552,318 Series C preferred shares directly held by Tasly International Capital Limited. Tasly International Capital Limited is wholly-owned by Tasly Holding Group Co., Ltd. Tasly Biopharm Limited's sole shareholder is Tasly Biopharmaceuticals Co., Ltd., which is controlled by Tasly Pharmaceutical Group Co., Ltd., which is in turn controlled by Tasly Holding Group Co., Ltd. Tasly Holding Group Co., Ltd. is controlled by Tianjin Tasly Health Industry Investment Group Co., Ltd., which is in turn controlled by Tianjin Fuhuade Science & Technology Development Co., Ltd. Kaijing Yan is the controlling shareholder of Tianjin Fuhuade Science & Technology Development Co., Ltd. and the ultimate beneficial owner of Tasly Biopharm Limited. The registered address of Tasly Biopharm Limited is P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands. We refer to the entities in the preceding sentence collectively as the Tasly entities. The registered address of Tasly International BioInv One Limited is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

(5) Represents 8,537,749 ordinary shares issuable upon the conversion of 8,537,749 Series C preferred shares held by Fortune Eight Jogging Limited, a British Virgin Islands limited liability company. Fortune Eight Jogging Limited is wholly-owned by Hony Hongling (Shanghai) Investment Center, a PRC limited partnership, whose general partner is Hony Capital (Shanghai) Ltd. The sole shareholder of Hony Capital (Shanghai) Ltd is Beijing Hony Hezhong Management Ltd. Each of Yonggang Cao, Minsheng Xu and Lijie Wang holds 33.3% equity interests in Beijing Hony Hezhong Management Ltd. The registered address of Fortune Eight Jogging Limited is Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands.

(6) Represents 9,261,823 ordinary shares issuable upon the conversion of 8,361,823 Series A-3 preferred shares directly held by Genexine, Inc. (Genexine) and 900,000 preferred shares issuable to Genexine upon the full conversion of the US$9.0 million interest-free convertible promissory note based on a conversion price of US$10 per share. Genexine is a Korean public company. The registered address of Genexine is 700 Daewangpangyo-ro, Korea Bio Park, Bldg. B4F, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea.

As of the date of this prospectus, none of our ordinary shares outstanding is held by any record holders in the United States.

The ADSs that we issue in this offering will represent ordinary shares.

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. See “Description of Share Capital—History of Securities Issuances” for historical changes in our shareholding structure.

RELATED PARTY TRANSACTIONS

Private Placements

See "Description of Share Capital—History of Securities Issuances."

Shareholders Agreement

See "Description of Share Capital—History of Securities Issuances—Shareholders Agreement."

Employment Agreements and Indemnification Agreements

See "Management—Employment Agreements and Indemnification Agreements."

Share Incentive Plans

See "Management—Share Incentive Plans."

Other Related Party Transactions with Our Shareholders and Affiliates

On September 25, 2017, I-Mab Tianjin and I-Mab Shanghai entered into a loan agreement with each of Qianhai Equity Investment Fund (Limited Partnership) ("Qianhai Fund"), Shanghai Tasly Pharmaceutical Co., Ltd. ("Shanghai Tasly"), and Tianjin Kangshijing Biopharmaceutical Technology Partnership (Limited Partnership) ("CBC RMB Fund"), pursuant to which each of Qianhai Fund, Shanghai Tasly and CBC RMB Fund made a loan to I-Mab Tianjin to fund its business operations in an aggregate principal amount in RMB equivalent to US$1.3 million, US$5.1 million and US$1.6 million, respectively. Each of these loans bears an annual compound interest rate of 8%. Pursuant to these loan agreements, each of Qianhai Fund, Shanghai Tasly and CBC RMB Fund has the right to contribute its interest in the respective loan to I-Mab Tianjin in exchange for I-Mab Tianjin's equity interests. We fully repaid the loans made by Qianhai Fund and Shanghai Tasly in 2018, and neither of these lenders exercised such right. The loan agreement with CBC RMB Fund was not performed by CBC RMB Fund and was mutually terminated on September 25, 2017.

In January 2018, we entered into a collaboration agreement with Everest, an affiliate of C-Bridge Capital Investment Management, Ltd., whereby both parties agreed to collaborate on programs to co-develop MorphoSys' proprietary CD38 antibody for all indications in hematologic oncology and commercialize the CD38 product in China, Hong Kong, Macau and Taiwan. For a detailed description of this collaboration agreement, see "Business—Licensing and Collaboration Arrangements—C. Collaboration Arrangements." As of June 30, 2019, we recorded RMB231.4 million (US$33.7 million) of research and development funding received from Everest. Everest had paid us prepayments of RMB166.3 million and RMB51.6 million (US$7.5 million) for the six months ended June 30, 2018 and 2019, respectively.

In June 2018, we entered into a biologics master services agreement with CMAB Biopharma (Suzhou) Inc. ("CMAB"), an affiliate of Bridge Capital Partners LLC. In July 2018, we entered into Service Proposal: CMC Development of A Monoclonal Antibody with this entity. Pursuant to these two agreements, CMAB will provide us with CMC services in connection with the preparation of the IND filings to the FDA and the NMPA in a period of 18 to 22 months for US$3.6 million. We had paid CMAB RMB2.8 million (US$0.4 million) for the year ended December 31, 2018.

In September 2016, I-Mab Tianjin entered into a CRO agreement with Tasly Pharmaceutical Group Co., Ltd. ("Tasly") and three ancillary agreements to this CRO agreement in November 2016, May 2017 and June 2017, respectively. Pursuant to these agreements, Tasly Pharmaceutical Group Co., Ltd. will provide I-Mab Tianjin with CRO services in connection with pre-clinical studies for G-CSF-HyFc fusion protein. All of these

agreements were terminated on December 10, 2018. We had paid Tasly RMB0.8 million, nil and RMB5.6 million (US$0.8 million) for the year ended December 31, 2017 and 2018 and the six months ended June 30, 2019, respectively.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company with limited liability and our affairs are governed by our memorandum and articles of association, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised), as amended, of the Cayman Islands, which is referred to as the Companies Law below, and the common law of the Cayman Islands.

As of the date of this prospectus, our authorized share capital is US$50,000 divided into: (i) 402,796,550 voting ordinary shares of a nominal or par value of US$0.0001 each, (ii) 4,629,231 voting redeemable Series A-1 preferred shares of a nominal or par value of US$0.0001 each, (iii) 512,356 voting redeemable Series A-2 preferred shares of a nominal or par value of US$0.0001 each, (iv) 25,085,469 voting redeemable Series A-3 preferred shares of a nominal or par value of US$0.0001 each, (v) 23,288,783 voting redeemable Series B preferred shares a nominal or par value of US$0.0001 each, (vi) 3,714,580 voting redeemable Series B-1 preferred shares of a nominal or par value of US$0.0001 each, (vii) 8,254,622 voting redeemable Series B-2 preferred shares of a nominal or par value of US$0.0001 each, and (viii) 31,718,409 voting redeemable Series C preferred shares of a nominal or par value of US$0.0001 each. As of the date of this prospectus, 8,363,719 ordinary shares, 4,629,231 Series A-1 preferred shares, 512,356 Series A-2 preferred shares, 25,085,469 Series A-3 preferred shares, 23,288,783 Series B preferred shares, 3,714,580 Series B-1 preferred shares, 3,301,849 Series B-2 preferred shares, and 31,046,360 Series C preferred shares are issued and outstanding. All of our issued and outstanding ordinary and preferred shares are fully paid.

Immediately upon the completion of this offering, preferred shares that are issued and outstanding will be converted into ordinary shares by way of re-designation on a one-for-one basis, and our authorized share capital will be US$50,000 divided into ordinary shares with a par value of US$0.0001 each.

[Our Post-Offering Memorandum and Articles

We will adopt an amended and restated memorandum and articles of association, which will become effective and replace our current amended and restated memorandum and articles of association in its entirety immediately prior to the completion of this offering. We refer to this adopted amended and restated memorandum and articles of association as our post-offering memorandum and articles of association. The following is a summary of the material provisions of the post-offering memorandum and articles of association and of the Companies Law, insofar as they relate to the material terms of our ordinary shares.

Objects of Our Company. Under our post-offering memorandum and articles of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

Ordinary Shares. Our ordinary shares are issued in registered form and are issued when registered in our register of members. We may not issue shares to bearers. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Dividends. Our directors may from time to time declare dividends (including interim dividends) and other distributions on our shares in issue and authorize payment of the same out of the funds of our company lawfully available therefor. In addition, our shareholders may declare dividends by ordinary resolution, but no dividend shall exceed the amount recommended by our directors. Our post-offering memorandum and articles of association provide that dividends may be declared and paid out of the funds of our company lawfully available therefor. Under the laws of the Cayman Islands, our company may pay a dividend out of either profit or a share premium account; provided that in no circumstances may a dividend be paid out of the same premium account if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or any one shareholder holding not less than [10]% of the votes attaching to the shares present in person or by proxy.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, while a special resolution requires the affirmative vote of not less than two-thirds of the votes attaching to the ordinary shares cast at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our post-offering memorandum and articles of association. Our shareholders may, among other things, divide or combine their shares by ordinary resolution.

General Meetings of Shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our post-offering memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by the chairman of our board of directors or by our directors (acting by a resolution of our board). Advance notice of at least seven days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. [A quorum required for any general meeting of shareholders consists of, at the time when the meeting proceeds to business, one or more of our shareholders holding shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to all of our shares in issue and entitled to vote at such general meeting.]

The Companies Law does not provide shareholders with any right to requisition a general meeting, nor any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering memorandum and articles of association provide that upon the requisition of any one or more of our shareholders holding shares which carry in aggregate not less than one-third of all votes attaching to all issued and outstanding shares of our company entitled to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our post-offering memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Transfer of Ordinary Shares. Subject to the restrictions set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and
- a fee of such maximum sum as [the Nasdaq Global Market] may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer, they shall, within [three months] after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the rules of [the Nasdaq Global Market] be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine; provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year.

Liquidation. On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, such assets will be distributed so that, as nearly as may be, the losses are borne by our shareholders in proportion to the par value of the shares held by them.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders [at least 14 days] prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by our shareholders by special resolution. Our company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders. Under the Cayman Islands law, any redemption or repurchase of shares by our company may be made out of profits of our company, out of our company's share premium account or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if so authorized by the articles of association and subject to provisions of the Companies Law, out of capital. Any premium payable on a redemption or repurchase over the par value of the shares to be repurchased must be provided for 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 the provisions of the Companies Law, out of capital. At no time may a company redeem or repurchase its shares unless they are fully paid. A company may not redeem or repurchase any of its shares if, as a result of the redemption or repurchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. Whenever the capital of our company is divided into different classes the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be varied with the consent in writing of the holders of all of the issued shares of that class or with the sanction of [a special] resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* with such existing class of shares.

Issuance of Additional Shares. Our post-offering memorandum and articles of association authorize our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine.

Our post-offering memorandum and articles of association also authorize our board of directors to issue from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including:

- the designation of the series;

- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preference shares without action by our shareholders. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Inspection of Books and Records. Shareholders have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we intend to provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

Anti-Takeover Provisions. Some provisions of our post-offering memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our post-offering memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted Company. We are an exempted company with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company.]

Differences in Corporate Law

The Companies Law is modeled after that of England but does not follow recent English statutory enactments and differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a statement of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a "parent" of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his or her shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provided that the dissenting shareholder complies strictly with the procedures set out in the Companies Law. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Law also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man or woman of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

When a takeover offer is made and accepted by holders of 90% of the shares within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a takeover offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands courts can be expected to follow and apply the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) which may permit a minority shareholder to commence a class action against, or derivative actions in the name of, our company to challenge:

- an act which is ultra vires or illegal and is therefore incapable of ratification by the shareholders;
- an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company; and
- an act which requires a resolution with a qualified (or special) majority (i.e., more than a simple majority) which has not been obtained.

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. [Our post-offering memorandum and articles of association permit indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such unless such losses or damages arise from dishonesty or fraud of such directors or officers.] This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

[In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our post-offering memorandum and articles of association.]

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interests of the corporation and its shareholders

take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he or she owes the following duties to the company—a duty to act in good faith in the best interests of the company, a duty not to make a personal profit based on his or her position as director (unless the company permits him or her to do so), a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our post-offering articles of association provide that shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Law does not provide shareholders with any right to requisition a general meeting, nor any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering articles of association allow our shareholders holding in aggregate not less than [one-third] of all votes attaching to the outstanding shares of our company entitled to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our post-offering articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but our post-offering articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled

to vote, unless the certificate of incorporation provides otherwise. Under our post-offering articles of association, subject to certain restrictions as contained therein, directors may be removed with or without cause, by an ordinary resolution of our shareholders. A director shall hold office until the expiration of his or her term or his or her successor shall have been elected and qualified, or until his or her office is otherwise vacated. In addition, a director's office shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his or her creditors; (ii) is found to be or becomes of unsound mind or dies; (iii) resigns his or her office by notice in writing to the company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his or her office be vacated; (v) is prohibited by law from being a director; or (vi) is removed from office pursuant to any other provisions of our post-offering memorandum and articles of association.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so. Under the Companies Law and our post-offering articles of association, our company may be dissolved, liquidated or wound up by a special resolution of our shareholders.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our post-offering articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the written consent of the holders of [all] of the issued shares of that class or with the sanction of a [special resolution] passed at a general meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote,

unless the certificate of incorporation provides otherwise. As permitted by Cayman Islands law, our post-offering memorandum and articles of association may only be amended with a special resolution of our shareholders.

History of Securities Issuances

The following is a summary of our securities issuances in the past three years.

Ordinary Shares

On June 30, 2016, we issued (i) 1 ordinary share to Offshore Incorporations (Cayman) Limited which was immediately transferred to Mabcore Limited for a purchase price of US$0.0001 and (ii) 4,019,553 ordinary shares to Mabcore Limited for a purchase price of US$401.9553. Dr. Zang, through himself and The Jingwu Zhang Zang 2018 Retained Annuity Trust, owns a 55.6% equity interest in Mabcore Limited. Lili Qian and two other individuals own the remaining equity interest in Mabcore Limited.

On October 18, 2016, we repurchased and cancelled 87,441 ordinary shares from Mabcore Limited. The remaining 3,932,113 ordinary shares held by Mabcore Limited have been designated as restricted ordinary shares pursuant to the restricted share agreement, dated as of October 18, 2016, by and among I-Mab, Mabcore Limited and certain other parties thereto. None of these restricted shares may be sold, transferred, pledged, hypothecated, or otherwise disposed of, directly or indirectly, by any shareholder of Mabcore Limited or Mabcore Limited prior to the termination of our repurchase right unless consented to by IBC Investment Seven Limited, an affiliate of C-Bridge Capital Investment Management, Ltd. As of the date of this prospectus, our repurchase right with respect to 70% of these restricted shares has already lapsed, and our repurchase right with respect to the remaining 30% of the restricted shares shall lapse on October 18, 2019. However, such repurchase right may be terminated earlier upon the completion of: (i) a change of control of our company; (ii) the consummation of a firm underwritten public offering of the ordinary shares of our company on the Shenzhen or Shanghai Stock Exchange, the NEEQ (which is the National Equities Exchange and Quotations Co., Ltd., a Chinese over-the-counter system for trading the shares of a public limited company that is not listed on either the Shenzhen or Shanghai Stock Exchange) or other recognized regional or national securities exchange, with an offering price that reflects a market capitalization of not less than US$200 million (exclusive of underwriting commissions and expenses) and gross proceeds to our company of at least US$40 million (prior to any underwriters' commissions and expenses), or (iii) the termination of employment or consultancy of any of these shareholders of Mabcore Limited with us without cause. Prior to the termination of our repurchase right, we have the right to repurchase, from Mabcore Limited, all of the restricted shares ultimately held by any of these shareholders of Mabcore Limited, at a repurchase price equal to the equivalent amount of US$ of RMB0.5385 per share, plus a 12% interest compounded annual interest accruing from October 18, 2016, upon (x) the voluntary termination by a shareholder of Mabcore Limited of his/her employment or consultancy with us, or (y) the termination by us of such person's employment or consultancy with us for cause. To exercise our repurchase right, we shall deliver a written notice to Mabcore Limited and the applicable shareholder of Mabcore Limited within 60 days after the termination of the employment or consultancy of such shareholder. We have no obligation to repurchase any restricted shares. We may not assign any repurchase right to any party without the prior written consent of IBC Investment Seven Limited.

On October 18, 2016, we issued an aggregate of 4,431,606 ordinary shares to BioScikin Co., Ltd. and Hangzhou Tigermed Consulting Co., Ltd for an aggregate purchase price of approximately RMB16.0 million.

Preferred Shares

On October 18, 2016, we issued 4,629,231 Series A-1 preferred shares and 512,356 Series A-2 preferred shares to IBC Investment Seven Limited for an aggregate purchase price of approximately US$4.6 million and US$8.4 million, respectively.

On September 6, 2017, we issued an aggregate of 16,723,646 Series A-3 preferred shares to CBC SPVII LIMITED and Genexine for an aggregate purchase price of US$30.0 million.

On September 22, 2017, we issued 14,089,714 Series B preferred shares to CBC Investment I-Mab Limited for an aggregate purchase price of US$48.4 million.

On February 9, 2018, we issued 1,804,880 Series B preferred shares to C-Bridge II Investment Ten Limited for an aggregate purchase price of US$6.2 million.

On June 29, 2018, we issued an aggregate of 2,535,201 Series B-1 preferred shares to CBC Investment I-MAB Limited and C-Bridge II Investment Ten Limited for an aggregate purchase price of approximately US$13.7 million as a result of the conversion by these two entities of the convertible promissory notes issued to them on September 25, 2017 and February 9, 2018, respectively. On the same date, we issued an aggregate of 2,253,512 Series B-2 preferred shares to CBC Investment I-MAB Limited and C-Bridge II Investment Ten Limited for an aggregate purchase price of approximately US$13.7 million as a result of the exercise of the warrants granted to them on September 25, 2017.

On June 29, 2018, we issued 8,361,823 Series A-3 preferred shares, 5,938,640 Series B preferred shares, and 947,218 Series B-1 preferred shares to Tasly Biopharma Limited in exchange for Tasly Biopharma Limited's equity interests in I-Mab Hong Kong.

On July 6, 2018, Tasly Biopharma Limited transferred to Rainbow Horizon Limited 947,218 Series B-1 preferred shares and the warrant in part to purchase 841,971 Series B-2 preferred shares for a total purchase price of US$6.0 million. On the same date, we issued 841,971 Series B-2 preferred shares to Rainbow Horizon Limited as a result of the exercise of the warrant by Rainbow Horizon for an aggregate purchase price of US$5.1 million.

On July 6, 2018, we issued to Qianhai Ark (Cayman) Investment Co. Limited ("Qianhai Ark Cayman"), (i) 1,455,549 Series B preferred shares for a purchase price of approximately US$2.0 million, (ii) 232,161 Series B-1 preferred shares for an aggregate purchase price of US$1.25 million as a result of the conversion of a convertible promissory note issued to Qianhai Ark Cayman on July 6, 2018, and (iii) 206,366 Series B-2 preferred shares for an aggregate purchase price of US$1.25 million as a result of the exercise of warrant granted to Qianhai Ark Cayman on September 25, 2017.

On July 6, 2018, we issued an aggregate of 31,046,360 Series C preferred shares to Fortune Eight Jogging Limited, C-Bridge II Investment Seven Limited, HH IMB Holdings Limited, Ally Bridge LB Precision Limited, Marvey Investment Company Limited, Mab Health Limited, Casiority H Limited, Southern Creation Limited (formerly known as Ally Bridge LB-Sunshine Limited), Tasly International Capital Limited, and Parkway Limited for an aggregate purchase price of US$200.0 million.

On July 25, 2019, we entered into a share purchase agreement with Caesar Pro Holdings Limited, WuXi Biologics HealthCare Venture, and Hongkong Tigermed Co., Limited. Pursuant to the share purchase agreement, these investors will subscribe for an aggregate of 3,857,143 Series C-1 preferred shares of I-Mab for an aggregate purchase price of US$27.0 million. We expect to close this transaction in October, 2019.

Convertible Promissory Notes

On September 25, 2017, we issued a US$12.1 million convertible promissory note due September 2020 to CBC Investment I-Mab Limited. On June 29, 2018, CBC Investment I-Mab Limited converted this note to 2,247,321 Series B-1 preferred shares.

On February 5, 2018, we issued a US$9.0 million convertible promissory note due February 2021 to Genexine. Genexine can at any time prior to February 5, 2021 convert this note into preferred shares of I-Mab at US$10 per share, subject to certain price adjustments. As of the date of this prospectus, Genexine has not converted this note.

On February 9, 2018, we issued a US$1.6 million convertible promissory note due September 2020 to C-Bridge II Investment Ten Limited. On June 29, 2018, C-Bridge II Investment Ten Limited converted this note into 287,880 Series B-1 preferred shares.

On July 6, 2018, we issued a US$1.3 million convertible promissory note due July 2021 to Qianhai Ark Cayman. On July 6, 2018, Qianhai Ark Cayman converted this note into 232,161 Series B-1 preferred shares.

Options and Warrants

On October 18, 2016, we granted IBC Investment Seven Limited a warrant to purchase up to 2,246,744 Series A-3 preferred shares. The warrant was cancelled on September 6, 2017 pursuant to a termination agreement between us and IBC Investment Seven Limited, who had not exercised the warrant prior to the termination.

On September 6, 2017, we granted Shanghai Tasly an option to purchase up to 8,361,823 Series A-3 preferred shares. On September 25, 2017, we granted Shanghai Tasly an additional option to purchase up to 5,938,640 Series B preferred shares and 947,218 Series B-1 preferred shares. On June 29, 2018, Tasly Biopharma Limited, as Shanghai Tasly's permitted assign, exercised these options in full.

On September 25, 2017, we granted (i) Qianhai Fund an option to purchase up to 1,455,549 Series B preferred shares and up to 232,161 Series B-1 preferred shares, and (ii) CBC RMB Fund an option to purchase up to 1,804,880 Series B preferred shares and up to 287,880 additional Series B-1 preferred Shares. The option granted to Qianhai Fund was exercised in full on July 6, 2018. The option granted to CMC RMB Fund was terminated on February 9, 2018.

On September 25, 2017, we granted a warrant to each of CBC Investment I-Mab Limited, Shanghai Tasly, Qianhai Fund and C-Bridge II Investment Ten Limited to purchase up to 4,994,046 Series B-2 preferred shares, up to 2,104,928 Series B-2 preferred shares, up to 515,914 Series B-2 preferred shares and up to 639,734 Series B-2 preferred shares, respectively. On July 6, 2018, these investors exercised their warrants in part and purchased 1,997,618 Series B-2 preferred shares, 841,971 Series B-2 preferred shares, 206,366 Series B-2 preferred shares and 255,894 Series B-2 preferred shares, for an aggregate purchase price of US$20.0 million. These investors have waived and cancelled their rights under the rest of the warrants. On September 25, 2017, we also granted a warrant to CBC RMB Fund to purchase up to 639,734 Series B-2 preferred shares, which was terminated on the same date.

On July 6, 2018, Tasly Biopharm Limited, as Shanghai Tasly's permitted assign, transferred to Rainbow Horizon Limited the warrant in part to purchase 841,971 Series B-2 preferred shares. On the same date, Rainbow Horizon Limited exercised this warrant.

We have granted options to purchase our ordinary shares to certain of our directors, executive officers and employees. See "Management—Share Incentive Plans."

Shareholders Agreement

We entered into our shareholders agreement on July 6, 2018 with our shareholders.

The shareholders agreement provides for certain special rights, including right of first refusal, co-sale rights, preemptive rights and contains provisions governing the board of directors and other corporate governance matters. Unless specifically noted, those special rights, as well as the corporate governance provisions, will automatically terminate upon the completion of a qualified initial public offering.

[Registration Rights

Pursuant to our shareholders agreement dated July 6, 2018, we have granted certain registration rights to our shareholders. Set forth below is a description of the registration rights granted under the agreement.

Demand Registration Rights. At any time after the earlier of (i) December 31, 2020, or (ii) six months following the effectiveness of a registration statement for a firm underwritten public offering of our ordinary shares on The Stock Exchange of Hong Kong Limited, or other internationally recognized securities exchange, with an offering price (exclusive of underwriting commissions and expenses) that reflects a market capitalization (immediately prior to the public offering) of not less than US$1.0 billion, the holders of a majority of the registrable securities then issued and outstanding may request in writing that we file a registration statement covering the registration of at least 20% of the registrable securities (or any lesser percentage if the anticipated gross receipts from the offering are to exceed US$5.0 million). Upon such a request, we shall, within ten business days of the receipt of such written request, give written notice of such request to all holders, and use our best efforts to effect, as soon as practicable, the registration of all registrable securities that the holders request to be registered and included in such registration by written notice given by such holders to us within 20 days after receipt of the request notice. We have the right to defer filing of a registration statement for a period of not more than 90 days after receipt of the request of the initiating holders if our board of directors determines in good faith that filing of such registration statement at such time will be materially detrimental to us or our shareholders, but we cannot exercise the deferral right more than once during any twelve-month period and cannot register any other securities during such twelve-month period. We are not obligated to effect any such registration if we have, within the six-month period preceding the date of such request, already effected a registration. We are not obligated to effect more than three demand registrations. This demand registration right is subject to the customary exclusion right of the underwriters.

Registration on Form F-3. If we qualify for registration on Form F-3, any holder or holders of a majority of all registrable securities then issued and outstanding may request in writing that we effect a registration on Form F-3 (or an equivalent registration in a jurisdiction outside of the U.S.). We shall promptly give written notice of the proposed registration and as soon as practicable, effect such registration within 20 days after we provide the aforesaid written notice. The holders are entitled to an unlimited number of registrations on Form F-3 so long as such registration offerings are in excess of US$500,000. We are not obligated to effect any such registration if we have, within the six-month period preceding the date of such request, already effected a registration other than a registration from which registrable securities of the holders have been excluded, or if we would be required to qualify to do business or to execute a general consent to service of process in effecting such registration in any particular jurisdiction.

Piggyback Registration Rights. If we propose to register for a public offering of our securities (other than registration statements relating to demand registration, Form F-3 registration, any employee benefit plan or a corporate reorganization), we shall give written notice of such registration to all holders of registrable securities at least 30 days prior to filing any registration statement and afford each such holder an opportunity to be included in such registration. If a holder decides not to include all of its registrable securities in any registration statement thereafter filed by us, such holder shall nevertheless continue to have the right to include any registrable securities in any subsequent registration statement or registration statements as may be filed by us, subject to certain limitations. This piggyback registration right is subject to the customary exclusion right of the underwriters.

Expenses of Registration. We will bear all registration expenses. Each holder, however, should bear its proportionate share of all of the underwriting discounts and selling commissions applicable to the sale of registrable securities or other amounts payable to underwriter(s) or brokers in connection with such offering by the holders.

Termination of Obligations. Our obligations to effect any demand, Form F-3 or piggyback registration shall terminate upon the tenth anniversary of our initial public offering.]

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Shares

, as depositary will issue the ADSs which you will be entitled to receive in this offering. Each ADS will represent an ownership interest in ordinary shares which we will deposit with the custodian, as agent of the depositary, under the deposit agreement among us, the depositary and you as an ADR holder. In the future, each ADS will also represent any securities, cash or other property deposited with the depositary but which they have not distributed directly to you. Unless specifically requested by you, all ADSs will be issued on the books of our depositary in book-entry form and periodic statements will be mailed to you which reflect your ownership interest in such ADSs. In our description, references to American depositary receipts or ADRs shall include the statements you will receive which reflect your ownership of ADSs.

The depositary's office is located at .

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Cayman Islands law governs shareholder rights. Because the depositary or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all registered holders from time to time of ADSs issued under the deposit agreement. The obligations of the depositary and its agents are also set out in the deposit agreement. Because the depositary or its nominee will actually be the registered owner of the shares, you must rely on it to exercise the rights of a shareholder on your behalf. The deposit agreement and the ADSs are governed by New York law.

The following is a summary of what we believe to be the material terms of the deposit agreement. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire deposit agreement and the form of ADR which contains the terms of your ADSs. You can read a copy of the deposit agreement which is filed as an exhibit to the registration statement of which this prospectus forms apart. You may also obtain a copy of the deposit agreement at the SEC's Public Reference Room which is located at 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the registration statement and the attached deposit agreement on the SEC's website at http://www.sec.gov.

Share Dividends and Other Distributions

How will I receive dividends and other distributions on the shares underlying my ADSs?

We may make various types of distributions with respect to our securities. The depositary has agreed that, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars and, in all cases, making any necessary deductions provided for in the deposit agreement. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent.

Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash*. The depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain registered ADR holders, and (iii) deduction of the depositary's expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. The depositary will hold any cash amounts it is unable to distribute in a non-interest-bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States. *If exchange rates fluctuate during a time when the depositary cannot convert a foreign currency, you may lose some or all of the value of the distribution*.
- *Shares*. In the case of a distribution in shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such shares. Only whole ADSs will be issued. Any shares which would result in fractional ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.
- *Rights to Receive Additional Shares*. In the case of a distribution of rights to subscribe for additional shares or other rights, if we provide evidence satisfactory to the depositary that it may lawfully distribute such rights, the depositary will distribute warrants or other instruments in the discretion of the depositary representing such rights. However, if we do not furnish such evidence, the depositary may:
  - sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or
  - if it is not practicable to sell such rights, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing.

We have no obligation to file a registration statement under the Securities Act in order to make any rights available to ADR holders.

- *Other Distributions*. In the case of a distribution of securities or property other than those described above, the depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.

If the depositary determines that any distribution described above is not practicable with respect to any specific registered ADR holder, the depositary may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items.

Any U.S. dollars will be distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depositary in accordance with its then current practices.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADR holders.

There can be no assurance that the depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period.

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposits shares or evidence of rights to receive shares with the custodian and pays the fees and expenses owing to the depositary in connection with such issuance. In the case of the ADSs to be issued under this prospectus, we will arrange with the underwriters named herein to deposit such shares.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of , as depositary for the benefit of holders of ADRs or in such other name as the depositary shall direct.

The custodian will hold all deposited shares (including those being deposited by or on our behalf in connection with the offering to which this prospectus relates) for the account of the depositary. ADR holders thus have no direct ownership interest in the shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited shares. The deposited shares and any such additional items are referred to as "deposited securities."

Upon each deposit of shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depositary and any taxes or other fees or charges owing, the depositary will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depositary's direct registration system, and a registered holder will receive periodic statements from the depositary which will show the number of ADSs registered in such holder's name. An ADR holder can request that the ADSs not be held through the depositary's direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depositary's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. At your risk, expense and request, the depositary may deliver deposited securities at such other place as you may request.

The depositary may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depositary or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depositary may, after consultation with us if practicable, fix record dates for the determination of the registered ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of shares;
- to give instructions for the exercise of voting rights at a meeting of holders of shares;
- to pay the fee assessed by the depositary for administration of the ADR program and for any expenses as provided for in the ADR; or
- to receive any notice or to act in respect of other matters all subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after receiving notice of any meeting or solicitation of consents or proxies from us, the depositary will distribute to the registered ADR holders a notice stating such information as is contained in the voting materials received by the depositary and describing how you may instruct the depositary to exercise the voting rights for the shares which underlie your ADSs. For instructions to be valid, the depositary must receive them in the manner and on or before the date specified. No voting instructions may be deemed given to the depositary to give a discretionary proxy to a person designated by us if no instructions are received by the depositary from you on or before the response date established by the depositary. The depositary will try, as far as is practical, subject to the provisions of and governing the underlying shares or other deposited securities, to vote or to have its agents vote the shares or other deposited securities as you instruct. The depositary will only vote or attempt to vote as you instruct. The depositary will not itself exercise any voting discretion. Furthermore, neither the depositary nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast or for the effect of any vote. Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by law or regulations, or by the requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of deposited securities, distribute to the registered holders of ADRs a notice that provides such holders with, or otherwise publicizes to such holders, instructions on how to retrieve such materials or receive such materials upon request (i.e., by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

[Under our constituent documents the depositary would be able to provide us with voting instructions without having to personally attend meetings in person or by proxy. Such voting instructions may be provided to us via facsimile, email, mail, courier or other recognized form of delivery and we agree to accept any such delivery so long as it is timely received prior to the meeting. We will endeavor to provide the depositary with written notice of each meeting of shareholders promptly after determining the date of such meeting so as to enable it to solicit and receive voting instructions. In general, the depositary will require that voting instructions be received by the depositary no less than five business days prior to the date of each meeting of shareholders. Under the post-offering memorandum and articles of association that we expect to adopt, the minimum notice period required to convene a general meeting is seven days. The depositary may not have sufficient time to solicit voting instructions, and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.]

Notwithstanding the above, we have advised the depositary that under the Cayman Islands law and our constituent documents, each as in effect as of the date of the deposit agreement, voting at any meeting of shareholders is by show of hands unless a poll is (before or on the declaration of the results of the show of hands)

demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with our constituent documents, the depositary will refrain from voting and the voting instructions (or the deemed voting instructions, as set out above) received by the depositary from holders shall lapse. The depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by holders of ADSs.

There is no guarantee that you will receive voting materials in time to instruct the depositary to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Reports and Other Communications

Will ADR holders be able to view our reports?

The depositary will make available for inspection by ADR holders at the offices of the depositary and the custodian the deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities.

Additionally, if we make any written communications generally available to holders of our shares, and we furnish copies thereof (or English translations or summaries) to the depositary, it will distribute the same to registered ADR holders.

Fees and Expenses

What fees and expenses will I be responsible for paying?

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADRs are cancelled or reduced for any other reason, US$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall be incurred by the ADR holders, by any party depositing or withdrawing shares or by any party surrendering ADSs or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADRs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of US$ per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of up to US$ per ADS for any cash distribution made pursuant to the deposit agreement;
- a fee of up to US$ per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of the depositary's agents (including, without limitation, the custodian and expenses incurred on behalf of holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the shares or other

deposited securities, the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which charge shall be assessed on a proportionate basis against holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such holders or by deducting such charge from one or more cash dividends or other cash distributions);

- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares and there would be a fee of five cents per ADS outstanding);
- stock transfer or other taxes and other governmental charges;
- cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of shares;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities; and
- expenses of the depositary in connection with the conversion of foreign currency into U.S. dollars.

We will pay all other charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary. The charges described above may be amended from time to time by agreement between us and the depositary.

Our depositary has agreed to reimburse us for certain expenses we incur that are related to establishment and maintenance of the ADR program, including investor relations expenses and exchange application and listing fees. Neither the depositary nor we can determine the exact amount to be made available to us because (i) the number of ADSs that will be issued and outstanding, (ii) the level of fees to be charged to holders of ADSs and (iii) our reimbursable expenses related to the ADR program are not known at this time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

Payment of Taxes

ADR holders must pay any tax or other governmental charge payable by the custodian or the depositary on any ADS or ADR, deposited security or distribution. If an ADR holder owes any tax or other governmental charge, the depositary may (i) deduct the amount thereof from any cash distributions, or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case the ADR holder remains liable for any shortfall. Additionally, if any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the depositary with respect to any ADR, any deposited securities represented by the ADSs evidenced thereby or any distribution thereon, including, without limitation, any PRC Enterprise Income Tax owing if the Circular Guoshuifa [2009] No. 82 issued by the SAT or any other circular, edict, order or ruling, as issued and as from time to time amended, is applied or otherwise, such tax or other governmental charge shall be paid by the holder thereof to the depositary. and by holding or having held an ADR the holder and all prior holders thereof, jointly and severally,

agree to indemnify, defend and save harmless each of the depositary and its agents in respect thereof. If any tax or governmental charge is unpaid, the depositary may also refuse to effect any registration, registration of transfer, split-up or combination of deposited securities or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a non-cash distribution, sell the distributed property or securities (by public or private sale) to pay such taxes and distribute any remaining net proceeds to the ADR holders entitled thereto.

By holding an ADR or an interest therein, you will be agreeing to indemnify us, the depositary, its custodian and any of our or their respective directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions not made to holders of ADRs or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depositary may choose to:

- amend the form of ADR;
- distribute additional or amended ADRs;
- distribute cash, securities or other property it has received in connection with such actions;
- sell any securities or property received and distribute the proceeds as cash; or
- none of the above.

If the depositary does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADSs without your consent for any reason. ADR holders must be given at least [30] days' notice of any amendment that imposes or increases any fees or charges (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADR holders. Such notice need not describe in detail the specific amendments effectuated thereby, but must give ADR holders a means to access the text of such amendment. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder is deemed to agree to such amendment and to be bound by the deposit agreement as so amended. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance therewith, we and the depositary may amend or supplement the deposit agreement and the ADR at any time in accordance with such changed laws, rules or regulations, which amendment or supplement may take effect before a notice is given or within any other period of time as required for compliance. No amendment, however, will impair your right to surrender your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

How may the deposit agreement be terminated?

The depositary may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least [30] days prior to the date fixed in such notice for such termination; provided, however, if the depositary shall have (i) resigned as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders unless a successor depositary shall not be operating under the deposit agreement within [45] days of the date of such resignation, and (ii) been removed as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders of ADRs unless a successor depositary shall not be operating under the deposit agreement on the [90]th day after our notice of removal was first provided to the depositary. After termination, the depositary's only responsibility will be (i) to deliver deposited securities to ADR holders who surrender their ADRs, and (ii) to hold or sell distributions received on deposited securities. As soon as practicable after the expiration of six months from the termination date, the depositary will sell the deposited securities which remain and hold the net proceeds of such sales (as long as it may lawfully do so), without liability for interest, in trust for the ADR holders who have not yet surrendered their ADRs. After making such sale, the depositary shall have no obligations except to account for such proceeds and other cash.

Limitations on Obligations and Liability to ADS Holders

Limits on our obligations and the obligations of the depositary; limits on liability to ADR holders and holders of ADSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the deposit agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including, without limitation, information as to citizenship, residence, exchange control approval, beneficial ownership of any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the depositary may establish consistent with the deposit agreement.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depositary; provided that the ability to withdraw shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depositary, us and our and the depositary's respective agents. Neither we nor the depositary nor any such agent will be liable if:

- any present or future law, rule, regulation, fiat, order or decree of the United States, the Cayman Islands, China or any other country, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited

securities, any present or future provision of our charter, any act of God, war, terrorism or other circumstance beyond our, the depositary's or our respective agents' control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by us, the depositary or our respective agents (including, without limitation, voting);

- it exercises or fails to exercise discretion under the deposit agreement or the ADRs;
- it performs its obligations under the deposit agreement and ADRs without gross negligence or bad faith;
- it takes any action or refrains from taking any action in reliance upon the advice of or information from legal counsel, accountants, any person presenting shares for deposit, any registered holder of ADRs, or any other person believed by it to be competent to give such advice or information; or
- it relies upon any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Neither the depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the deposit agreement or ADRs to the extent such information is requested or required by or pursuant to any lawful authority, including, without limitation, laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depositary shall not be liable for the acts or omissions made by any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of deposited securities or otherwise. Furthermore, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of . The depositary and the custodian(s) may use third-party delivery services and providers of information regarding matters such as pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide extraordinary services such as attendance at annual meetings of issuers of securities. Although the depositary and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third-party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services.

Additionally, none of us, the depositary or the custodian shall be liable for the failure by any registered holder of ADRs or beneficial owner therein to obtain the benefits of credits on the basis of non-U.S. tax paid against such holder's or beneficial owner's income tax liability. Neither we nor the depositary shall incur any liability for any tax consequences that may be incurred by holders or beneficial owners on account of their ownership of ADRs or ADSs.

Neither the depositary nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any such vote is cast or for the effect of any such vote. Neither the depositary nor any of its agents shall be liable to registered holders of ADRs or beneficial owners of interests in ADSs for any indirect, special, punitive or consequential damages (including, without limitation, lost profits) of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

In the deposit agreement each party thereto (including, for avoidance of doubt, each holder and beneficial owner and/or holder of interests in ADRs) irrevocably waives, to the fullest extent permitted by applicable law,

any right it may have to a trial by jury in any suit, action or proceeding against the depositary and/or the company directly or indirectly arising out of or relating to the shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory).

The depositary may own and deal in any class of our securities and in ADSs.

Disclosure of Interest in ADSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, you agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof. We reserve the right to instruct you to deliver your ADSs for cancellation and withdrawal of the deposited securities so as to permit us to deal with you directly as a holder of shares and, by holding an ADS or an interest therein, you will be agreeing to comply with such instructions.

Books of Depositary

The depositary or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the depositary's direct registration system. Registered holders of ADRs may inspect such records at the depositary's office at all reasonable times, but solely for the purpose of communicating with other holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register may be closed from time to time, when deemed expedient by the depositary.

The depositary will maintain facilities for the delivery and receipt of ADRs.

Pre-release of ADSs

In its capacity as depositary, the depositary shall not lend shares or ADSs; provided, however, that the depositary may issue ADSs prior to the receipt of shares (each such transaction, a "pre-release"). The depositary may receive ADSs in lieu of shares (which ADSs will promptly be cancelled by the depositary upon receipt by the depositary). Each such pre-release will be subject to a written agreement whereby the person or entity (the "applicant") to whom ADSs are to be delivered (a) represents that at the time of the pre-release the applicant or its customer owns the shares that are to be delivered by the applicant under such pre-release, (b) agrees to indicate the depositary as owner of such shares in its records and to hold such shares in trust for the depositary until such shares are delivered to the depositary or the custodian, (c) unconditionally guarantees to deliver to the depositary or the custodian, as applicable, such shares, and (d) agrees to any additional restrictions or requirements that the depositary deems appropriate. Each such pre-release will be at all times fully collateralized with cash, U.S. government securities or such other collateral as the depositary deems appropriate, terminable by the depositary on not more than five (5) business days' notice and subject to such further indemnities and credit regulations as the depositary deems appropriate. The depositary will normally limit the number of ADSs involved in such pre-release at any one time to thirty percent (30%) of the ADSs outstanding (without giving effect to pre-released ADSs outstanding), provided, however, that the depositary reserves the right to change or disregard such limit from time to time as it deems appropriate. The depositary may also set limits with respect to the number of ADSs involved in pre-release with any one person on a case-by-case basis as it deems appropriate. The depositary may retain for its own account any compensation received by it in conjunction with the foregoing. Collateral provided in connection with pre-release transactions, but not the earnings thereon, shall be held for the benefit of the registered holders of ADRs (other than the applicant).

Appointment

In the deposit agreement, each registered holder of ADRs and each person holding an interest in ADSs, upon acceptance of any ADSs (or any interest therein) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

- be a party to and bound by the terms of the deposit agreement and the applicable ADR or ADRs, and
- appoint the depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the deposit agreement and the applicable ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the deposit agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

Governing Law

The deposit agreement and the ADRs shall be governed by and construed in accordance with the laws of the State of New York. In the deposit agreement, we have submitted to the jurisdiction of the courts of the State of New York and appointed an agent for service of process on our behalf. Notwithstanding the foregoing, any action based on the deposit agreement or the transactions contemplated thereby may be instituted by the depositary and holders in any competent court in the Cayman Islands, Hong Kong, China and/or the United States or through the commencement of an English language arbitration either in New York, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association or in Hong Kong following the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

SHARES ELIGIBLE FOR FUTURE SALES

Upon completion of this offering, we will have ADSs outstanding, representing approximately % of our outstanding ordinary shares, assuming the underwriters do not exercise their over-allotment option. All of the ADSs sold in this offering will be freely transferable by persons other than by our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs. We intend to apply to list the ADSs on [the Nasdaq Global Market], but we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

[Lock-up Agreements

We have agreed, for a period of [180] days after the date of this prospectus, [not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, lend or otherwise dispose of, except in this offering, any of our ordinary shares or ADSs or securities that are substantially similar to our ordinary shares or ADSs, including, but not limited to, any options or warrants to purchase our ordinary shares, ADSs or any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares, ADSs or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date such lock-up agreement was executed), without the prior written consent of the representatives of the underwriters.]

Furthermore, each of our directors and executive officers, our current shareholders [and certain option holders] has also entered into a similar lock-up agreement for a period of [180] days after the date of this prospectus, subject to certain exceptions, with respect to our ordinary shares, ADSs and securities that are substantially similar to our ordinary shares or ADSs. [These restrictions also apply to any ADSs acquired by our directors and executive officers in the offering pursuant to the directed share program, if any.] These parties collectively own [all of] our outstanding ordinary shares, without giving effect to this offering.

The restrictions described in the preceding paragraphs will be automatically extended under certain circumstances. See "Underwriting."

Other than this offering, we are not aware of any plans by any significant shareholders to dispose of significant numbers of our ADSs or ordinary shares. However, one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for our ADSs or ordinary shares may dispose of significant numbers of our ADSs or ordinary shares in the future. We cannot predict what effect, if any, future sales of our ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the trading price of our ADSs from time to time. Sales of substantial amounts of our ADSs or ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of our ADSs.]

Rule 144

All of our ordinary shares that will be outstanding upon the completion of this offering, other than those ordinary shares underlying the ADSs sold in this offering, are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those provided by Rule 144 and Rule 701 promulgated under the Securities Act. In general, beginning 90 days after the date of this prospectus, a person (or persons whose shares are aggregated) who at the time of a sale is not, and has not been during the three months preceding the sale, an affiliate of ours and has beneficially owned our restricted securities for at least six months will be entitled to sell the restricted securities without registration under the Securities Act, subject only to the availability of current public information about

us, and will be entitled to sell restricted securities beneficially owned for at least one year without restriction. Persons who are our affiliates and have beneficially owned our restricted securities for at least six months may sell a number of restricted securities within any three-month period that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, represented by ADSs or otherwise, which immediately after this offering will equal ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs; or
- the average weekly trading volume of our ordinary shares of the same class, represented by ADSs or otherwise, during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales by our affiliates under Rule 144 are also subject to certain requirements relating to manner of sale, notice and the availability of current public information about us.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory stock plan or other written agreement executed prior to the completion of this offering is eligible to resell those ordinary shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

TAXATION

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, China and the United States.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the shares, nor will gains derived from the disposal of our shares be subject to Cayman Islands income or corporation tax.

No stamp duty is payable in respect of the issue of shares by our Company and no stamp duty is payable on transfers of shares of our Company provided our Company does not hold any interest in land in the Cayman Islands.

PRC Taxation

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside China with “de facto management body” within China is considered as a Tax Resident Enterprise for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation issued Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the State Administration of Taxation’s general position on how the “de facto management body” text should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in China; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel located in China; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in China; and (iv) at least 50% of voting board members or senior executives habitually reside in China.

Our PRC counsel, JunHe LLP, has advised us that, based on its understanding of the current PRC Laws and Regulations, I-Mab should not be considered as a PRC resident enterprise for PRC income tax purposes because I-Mab does not meet all of the above conditions. I-Mab is incorporated outside of China and it is not controlled

by a PRC enterprise or PRC enterprise group. We have structured a clear management guideline in place to segregate the policy set up and business operating execution responsibilities in order to differentiate the effective control from our headquarter office and subsidiaries including record keeping and offshore work location plan. I-Mab is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside China. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." However, we cannot guarantee you that PRC tax authorities will not take a different view.

If the PRC tax authorities determine that I-Mab is a PRC resident enterprise for enterprise income tax purposes, our worldwide income could be subject to 25% enterprise income tax; and any dividends payable to non-resident enterprise holders of our common shares or ADSs may be treated as income derived from sources within China and therefore, subject to a 10% withholding tax (or 20% in the case of non-resident individual holders) unless an applicable income tax treaty provides otherwise. In addition, capital gains realized by non-resident enterprise shareholders (including our ADS holders) upon the disposition of our common shares or ADSs may be treated as income derived from sources within PRC and therefore, subject to 10% income tax (or 20% in the case of non-resident individual shareholders or ADS holders) unless an applicable income tax treaty provides otherwise. See "Risk Factors—Risks Related to Doing Business in China—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders."

United States Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations relating to the ownership and disposition of our ADSs or ordinary shares by a U.S. Holder (as defined below) that acquires our ADSs in this offering and holds our ADSs as "capital assets" (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended, or the Code. This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the U.S. Internal Revenue Service, or the IRS, with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not address the U.S. federal estate, gift, Medicare, and alternative minimum tax considerations, certain information reporting requirements pursuant to section 1471 through 1474 of the Code, or any state, local, and non-U.S. tax considerations, relating to the ownership or disposition of our ADSs or ordinary shares. This discussion, moreover, does not discuss all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual investment circumstances or to investors subject to special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders in securities that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);

- investors who are not U.S. Holders;
- investors who own (directly, indirectly or constructively) 10% or more of our stock (by vote or value);
- investors who acquire their ADSs or ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors required to accelerate the recognition of any item of gross income with respect to our ADSs or ordinary shares as a result of such income being recognized on an applicable financial statement; or
- investors that have a functional currency other than the U.S. dollar;

all of whom may be subject to tax rules that differ significantly from those discussed below. Each U.S. Holder is urged to consult its tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax considerations of an investment in our ADSs or ordinary shares.

General

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of our ADSs or ordinary shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the law of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partner and the partnership. Partnerships holding our ADSs or ordinary shares and their partners are urged to consult their tax advisors regarding an investment in our ADSs or ordinary shares.

For U.S. federal income tax purposes, it is generally expected that a U.S. Holder of ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of our ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. Accordingly, deposits or withdrawals of ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be classified as a passive foreign investment company, or, or PFIC, for U.S. federal income tax purposes for any taxable year if either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For this purpose, cash and assets readily convertible into cash are each categorized as a passive asset and the company's goodwill and other unbooked intangibles are taken into account. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

No assurance can be given with respect to our PFIC status for the current taxable year or any future taxable year. The determination of whether we are or will become a PFIC is uncertain, because it is a fact-intensive inquiry made on an annual basis that depends, in part, on the composition of our income and assets. Fluctuations in the market price of our ADSs may cause us to become a PFIC for the current or subsequent taxable years because the value of our assets for the purpose of the asset test may be determined by reference to the market price of our ADSs from time to time (which may be volatile for biopharmaceutical companies, such as ours, that have not yet achieved commercialization with respect to any of their products). The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. Under circumstances where our revenue from activities that produce passive income increases relative to our revenue from activities that produce non-passive income, or where we determine not to deploy cash for active purposes, our risk of becoming classified as a PFIC will substantially increase. In addition, because there are uncertainties in the application of the relevant rules, it is possible that the IRS may challenge our classification of certain income and assets as non-passive or our valuation of our tangible and intangible assets, each of which may result in our being or becoming a PFIC for the current or subsequent taxable years.

The discussion below under "—Dividends" and "—Sale or Other Disposition of ADSs or Ordinary Shares" is written on the basis that we will not be classified as a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply if we are treated as a PFIC are generally discussed below under "—Passive Foreign Investment Company Rules."

Dividends

Subject to the discussion below under "—Passive Foreign Investment Company Rules," any cash distributions (including the amount of any tax withheld) paid on our ADSs or ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be reported as a "dividend" for U.S. federal income tax purposes. Dividends received on our ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations.

A non-corporate U.S. Holder will generally be subject to tax on dividend income from a "qualified foreign corporation" at a lower applicable capital gains rate rather than the marginal tax rates generally applicable to ordinary income provided that certain conditions are satisfied, including that (1) our ADSs or ordinary shares on which the dividends are paid are readily tradable on an established securities market in the United States, or in the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefits of the United States-PRC income tax treaty (the "Treaty"); (2) we are neither a PFIC nor treated as such with respect to a U.S. Holder for the taxable year in which the dividend is paid and the preceding taxable year, and (3) certain holding period requirements are met. We intend to list our ADSs on [the Nasdaq Global Market]. Provided the listing is approved, we believe that the ADSs will be readily tradable on an established securities market in the United States, and that we will be a qualified foreign corporation with respect to dividends paid on the ADSs. Since we do not expect that our ordinary shares will be listed on an established securities market, we do not believe that dividends that we pay on our ordinary shares that are not represented by ADSs will meet the conditions required for the reduced tax rate. There can be no assurance, however, that our ADSs will continue to be considered readily tradable on an established securities market in later years.

In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law, we may be eligible for the benefits of Treaty and in that case we would be treated as a qualified foreign corporation with respect to dividends paid on our ordinary shares or ADSs. Each non-corporate U.S. Holder is advised to consult its tax advisors regarding the availability of the reduced tax rate applicable to qualified dividend income for any dividends we pay with respect to our ADSs or ordinary shares.

Dividends will generally be treated as income from foreign sources for U.S. foreign tax credit purposes and will generally constitute passive category income. In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law, a U.S. Holder may be subject to PRC withholding taxes on dividends paid on our ADSs or ordinary shares. See "—PRC Taxation" above. In that case, depending on the U.S. Holder's individual facts and circumstances, a U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit not in excess of any applicable treaty rate in respect of any foreign withholding taxes imposed on dividends received on our ADSs or ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for U.S. federal income tax purposes, in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex and their outcome depends in large part on the U.S. Holder's individual facts and circumstances. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of ADSs or Ordinary Shares

Subject to the discussion below under "—Passive Foreign Investment Company Rules," a U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term if the ADSs or ordinary shares have been held for more than one year and will generally be U.S. source gain or loss for U.S. foreign tax credit purposes. Long-term capital gain of non-corporate U.S. Holders is generally eligible for a reduced rate of taxation. The deductibility of a capital loss may be subject to limitations. In the event that we are treated as a PRC resident enterprise under the Enterprise Income Tax Law and gain from the disposition of the ADSs or ordinary shares is subject to tax in China, a U.S. Holder that is eligible for the benefits of the Treaty may elect to treat the gain as PRC source income. If a U.S. Holder is not eligible for the benefits of the Treaty or fails to make the election to treat any gain as foreign source, then such U.S. Holder may not be able to use the foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or ordinary shares unless such credit can be applied (subject to applicable limitations) against U.S. federal income tax due on other income derived from foreign sources in the same income category (generally, the passive category). U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or ordinary shares, including the availability of the foreign tax credit under their particular circumstances and the election to treat any gain as PRC source income.

Passive Foreign Investment Company Rules

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or ordinary shares, and unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ADSs or ordinary shares), and (ii) any gain realized on the sale or other disposition (including, under certain circumstances, a pledge) of ADSs or ordinary shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the ADSs or ordinary shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a "pre-PFIC year"), will be taxable as ordinary income; and
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year, increased by an

additional tax equal to the interest on the resulting tax deemed deferred with respect to each such taxable year.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or ordinary shares and any of our subsidiaries is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to such stock. If a U.S. Holder makes this election, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that such corporation is not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election. If a U.S. Holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer treated as marketable stock or the IRS consents to the revocation of the election.

The mark-to-market election is available only for "marketable stock," which stock that is regularly traded on a qualified exchange or other market, as defined in applicable United States Treasury Regulations. We expect that our ADSs, but not our ordinary shares, will be treated as marketable stock upon their listing on [the Nasdaq Global Market.] However, we cannot guarantee that our listing will be approved and we cannot guarantee that, once listed, our ADSs will continue to be listed and traded on [the Nasdaq Global Market]. Furthermore, while we anticipate that our ADSs should qualify as being regularly traded, but no assurances may be given in this regard.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

If a U.S. Holder owns our ADSs or ordinary shares during any taxable year that we are a PFIC, the holder must generally file an annual IRS Form 8621. Each U.S. Holder is urged to consult its tax advisor concerning the U.S. federal income tax consequences of purchasing, holding and disposing ADSs or ordinary shares if we are or become a PFIC, including the possibility of making a mark-to-market election.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the ADSs being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of ADSs indicated in the following table. China International Capital Corporation Hong Kong Securities Limited is acting as the book-running manager of this offering and as the representative of the underwriters. The address of China International Capital Corporation Hong Kong Securities Limited is 29th Floor, One International Finance Centre, 1 Harbour View Street Central, Hong Kong.

Underwriters	Number of ADSs
[China International Capital Corporation Hong Kong Securities Limited]	[ ]
Total	[ ]

The underwriters are offering the ADSs subject to their acceptance of the ADSs from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ADSs offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated, severally and not jointly, to take and pay for all of the ADSs offered by this prospectus if any such ADSs are taken, other than the ADSs covered by the underwriters' option to purchase additional ADSs described below.

The underwriters initially propose to offer part of the ADSs directly to the public at the public offering price listed on the cover of this prospectus and part of the ADSs to certain dealers at a price that represents a concession not in excess of US$[ ] per ADS under the public offering price. After the initial offering of the ADSs, the offering price and other selling terms may from time to time be varied by the underwriters.

[Certain of the underwriters are not broker-dealers registered with the SEC. Therefore, to the extent they intend to make any offers or sales of ADSs in the United States, they will do so only through one or more registered broker-dealers in compliance with applicable securities law and regulations, and FINRA rules. China International Capital Corporation Hong Kong Securities Limited is not a broker-dealer registered with the SEC and, to the extent that its conduct may be deemed to involve participation in offers or sales of ADSs in the United States, those offers or sales will be made through one or more SEC-registered broker-dealers in compliance with applicable laws and regulations.]

Option to Purchase Additional ADSs

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of [ ] additional ADSs from us at the offering price listed on the cover of this prospectus, less underwriting discounts and commissions. To the extent the option is exercised, each underwriter will become severally obligated, subject to certain conditions, to purchase additional ADSs approximately proportionate to each underwriter's initial amount reflected in the table above.

Commissions and Expenses

Total underwriting discounts and commissions to be paid to the underwriters represent [ ]% of the total amount of the offering. The following table shows the per ADS and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs.

		Total	
	Per ADS	No Exercise	Full Exercise
Discounts and commissions paid by us	US$[ ]	US$[ ]	US$[ ]

We have agreed to pay all fees and expenses that we occur in connection with the offering. We have agreed to reimburse the underwriters for certain expenses in an amount not to exceed US$[ ].

Lock-Up Agreements

[We have agreed that, without the prior written consent of the representatives of the underwriters, we will not, during the period ending 180 days after the date of this prospectus, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of directly or indirectly, any ordinary shares or ADSs or any securities convertible into or exercisable or exchangeable for such ordinary shares or ADSs; (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ordinary shares or ADSs; (iii) establish or increase a put equivalent position or liquidate or decrease a call equivalent position in the ordinary shares or ADSs within the meaning of Section 16 of the Exchange Act; (iv) file any registration statement with the SEC relating to the offering of any ordinary shares, ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs; or (v) publicly disclose the intention to make any offer, sale, pledge, disposition or filing, in each case regardless of whether any such transaction described above is to be settled by delivery of ordinary shares, ADSs, or such other securities, in cash or otherwise.

Each of our directors, executive officers, existing shareholders [and certain of our option holders] have agreed that, without the prior written consent of the representatives on behalf of the underwriters, it will not, subject to certain exceptions, during the period ending 180 days after the date of this prospectus, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any ADSs or ordinary shares or any other securities convertible into or exercisable or exchangeable for ADSs or ordinary shares or (2) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of ADSs or ordinary shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of ADSs, ordinary shares or such other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement. The foregoing sentence shall not apply to transactions relating to ADSs, ordinary shares or other securities acquired in this offering or in open market transactions after the completion of this offering and certain other exceptions.

In addition, through a letter agreement, we will instruct [ ], as depositary, not to accept any deposit of any ordinary shares or deliver any ADSs until after 180 days following the date of this prospectus unless we consent to such deposit or issuance. We will not provide such consent without the prior written consent of the representatives of the underwriters. The foregoing does not affect the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares.

The representatives of the underwriters, in their sole discretion, on behalf of the underwriters may release the ADSs and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.]

Nasdaq Listing

The ADSs [have been] approved for listing on the Nasdaq Global Market under the symbol “IMAB.”

Stabilization, Short Positions and Penalty Bids

In connection with the offering, the underwriters may purchase and sell ADSs in the open market.

These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of ADSs than they are

required to purchase in the offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional ADSs in the offering. The underwriter may close out any covered short position by either exercising their option to purchase additional ADSs or purchasing ADSs in the open market. In determining the source of ADSs to close out the covered short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase additional ADSs pursuant to the option granted to them. “Naked” short sales are any sales in excess of such option.

The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for, or purchases of, ADSs made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discounts received by it because the representatives have repurchased ADSs sold by, or for the account of, such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the ADSs, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the ADSs. As a result, the price of the ADSs may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities, and if these activities are commenced, they are required to be conducted in accordance with applicable laws and regulations, and any of these activities may be discontinued at any time. These transactions may be effected on the Nasdaq, the over-the-counter market or otherwise.

Electronic Distribution

A prospectus in electronic format will be made available on the websites maintained by one or more of the underwriters or one or more securities dealers. One or more of the underwriters may distribute prospectuses electronically. The underwriters may agree to allocate a number of ADSs for sale to their online brokerage account holders. ADSs to be sold pursuant to an internet distribution will be allocated on the same basis as other allocations. In addition, ADSs may be sold by the underwriters to securities dealers who resell ADSs to online brokerage account holders.

[**Directed ADS Program**

At our request, the underwriters have reserved up to [ ]% of the ADSs being offered by this prospectus (assuming no exercise by the underwriters of their option to purchase additional ADSs) for sale at the initial public offering price to certain of our directors, executive officers, employees, business associates and members of their families. The directed ADS program will be administered by [ ]. We do not know if these individuals will choose to purchase all or any portion of these reserved ADSs, but any purchases they do make will reduce the number of ADSs that are available to the general public. Any reserved ADSs that are not so purchased will be offered by the underwriters to the general public on the same terms as the other ADSs offered by this prospectus.]

Indemnification

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing, investment research, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates may have, from time to time, performed, and may in the future perform, various financial advisory, commercial and investment banking services and other services for us and to persons and entities with relationships with us, for which they received or will receive customary fees and commissions.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of us and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also make or communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our ordinary shares or the ADSs. The initial public offering price was determined by negotiations between us and the representatives of the underwriters. Among the factors to be considered in determining the initial public offering price of the ADSs, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses. An active trading market for the ADSs may not develop. It is also possible that after the offering the ADSs will not trade in the public market at or above the initial public offering price.

Selling Restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the ADSs, or the possession, circulation or distribution of this prospectus or any other material relating to us or the ADSs in any jurisdiction where action for that purpose is required.

Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither this prospectus nor any other material or advertisements in connection with the ADSs may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Australia

This prospectus:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the “Corporations Act”);
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (“ASIC”), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;

- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Corporations Act.

The ADSs may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the ADSs may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any ADSs may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the ADSs, you represent and warrant to us that you are an Exempt Investor.

As any offer of ADSs under this prospectus will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the ADSs you undertake to us that you will not, for a period of 12 months from the date of issue of the ADSs, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Canada

The ADSs may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ADSs must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts, or NI 33-105, the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Cayman Islands

This prospectus does not constitute a public offer of the ADSs or ordinary shares, whether by way of sale or subscription, in the Cayman Islands. ADSs or ordinary shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the Cayman Islands.

Dubai International Finance Center

This prospectus relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority (the "DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this prospectus. The securities to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

In relation to its use in the DIFC, this prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Member State"), no ADSs have been offered or will be offered pursuant to this offering to the public in that Member State prior to the publication of a prospectus in relation to the ADSs which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of ADSs may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives of the underwriters for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of ADSs shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any ADSs in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any ADSs to be offered so as to enable an investor to decide to purchase or subscribe for any ADSs, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The ADSs may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to

ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Indonesia

This prospectus does not, and is not intended to, constitute a public offering in Indonesia under Law Number 8 of 1995 regarding Capital Market. This prospectus may not be distributed in the Republic of Indonesia and the ADSs may not be offered or sold in the Republic of Indonesia or to Indonesian citizens wherever they are domiciled, or to Indonesia residents, in a manner which constitutes a public offering under the laws of the Republic of Indonesia.

Israel

In the State of Israel, the ADSs offered hereby may not be offered to any person or entity other than the following:

- a fund for joint investments in trust (i.e., mutual fund), as such term is defined in the Law for Joint Investments in Trust, 5754-1994, or a management company of such a fund;
- a provident fund as defined in Section 47(a)(2) of the Income Tax Ordinance of the State of Israel, or a management company of such a fund;
- an insurer, as defined in the Law for Oversight of Insurance Transactions, 5741-1981, a banking entity or satellite entity, as such terms are defined in the Banking Law (Licensing), 5741-1981, other than a joint services company, acting for their own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;
- a company that is licensed as a portfolio manager, as such term is defined in Section 8(b) of the Law for the Regulation of Investment Advisors and Portfolio Managers, 5755-1995, acting on its own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;
- a company that is licensed as an investment advisor, as such term is defined in Section 7(c) of the Law for the Regulation of Investment Advisors and Portfolio Managers, 5755-1995, acting on its own account;
- a company that is a member of the Tel Aviv Stock Exchange, acting on its own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;
- an underwriter fulfilling the conditions of Section 56(c) of the Securities Law, 5728-1968;
- a venture capital fund (defined as an entity primarily involved in investments in companies which, at the time of investment, (i) are primarily engaged in research and development or manufacture of new technological products or processes and (ii) involve above-average risk);
- an entity primarily engaged in capital markets activities in which all of the equity owners meet one or more of the above criteria; and
- an entity, other than an entity formed for the purpose of purchasing the ADSs in this offering, in which the shareholders equity (including pursuant to foreign accounting rules, international accounting regulations and U.S. generally accepted accounting rules, as defined in the Securities Law Regulations (Preparation of Annual Financial Statements), 1993) is in excess of NIS 250 million.

Any offeree of the ADSs offered hereby in the State of Israel shall be required to submit written confirmation that it falls within the scope of one of the above criteria. This prospectus will not be distributed or directed to investors in the State of Israel who do not fall within one of the above criteria.

Japan

ADSs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold directly or indirectly in Japan or to, or for the benefit of any Japanese person or to others, for reoffering or re-sale directly or indirectly in Japan or to any Japanese person, except in each case pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws, rules and regulations of Japan. For purposes of this paragraph, "Japanese person" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Korea

The ADSs may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The ADSs have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the ADSs may not be resold to Korean residents unless the purchaser of the ADSs complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the ADSs.

Kuwait

Unless all necessary approvals from the Kuwait Ministry of Commerce and Industry required by Law No. 31/1990 "Regulating the Negotiation of Securities and Establishment of Investment Funds," its Executive Regulations and the various Ministerial Orders issued pursuant thereto or in connection therewith, have been given in relation to the marketing and sale of the ADSs, these may not be marketed, offered for sale, nor sold in the State of Kuwait. Neither this prospectus (including any related document), nor any of the information contained therein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the ADSs has been or will be registered with the Securities Commission of Malaysia (the "Commission") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the ADSs, as principal, if the offer is on terms that the ADSs may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the ADSs is made by a holder of a Capital Markets Services Licence who

carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

People's Republic of China

This prospectus may not be circulated or distributed in the PRC and the ADSs may not be offered or sold, and will not offer or sell to any person for re-offering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws, rules and regulations of the PRC. For the purpose of this paragraph only, the PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Philippines

THE ADSS BEING OFFERED OR SOLD HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE OF THE PHILIPPINES, OR THE SRC. ANY FUTURE OFFER OR SALE OF THE ADSS WITHIN THE PHILIPPINES IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SRC UNLESS SUCH OFFER OR SALE QUALIFIES AS A TRANSACTION EXEMPT FROM THE REGISTRATION UNDER THE SRC.

Accordingly, this prospectus, and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the ADSs, may not be circulated or distributed in the Philippines, and the ADSs may not be offered or sold, or be made the subject of an invitation for subscription or purchase, to persons in the Philippines, other than (i) to qualified investors in transactions that are exempt from the registration requirements of the SRC; and (ii) by persons licensed to make such offers or sales in the Philippines.

Qatar

In the State of Qatar, the offer contained herein is made on an exclusive basis to the specifically intended recipient thereof, upon that person's request and initiative, for personal use only and shall in no way be construed as a general offer for the sale of securities to the public or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar. This prospectus and the underlying securities have not been approved or licensed by the Qatar Central Bank or the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar. The information contained in this prospectus shall only be shared with any third parties in Qatar on a need to know basis for the purpose of evaluating the contained offer. Any distribution of this prospectus by the recipient to third parties in Qatar beyond the terms hereof is not permitted and shall be at the liability of such recipient.

Saudi Arabia

This prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this prospectus you should consult an authorized financial adviser.

Singapore

Each underwriter has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented, warranted and agreed that it

has not offered or sold any ADSs or caused the ADSs to be made the subject of an invitation for subscription or purchase and will not offer or sell any ADSs or cause the ADSs to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs, whether directly or indirectly, to any persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore), as modified or amended from time to time (the "SFA") pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

The ADSs will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to our company or the ADSs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of the ADSs will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of the ADSs has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the ADSs.

Taiwan

The ADSs have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through

a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the ADSs in Taiwan.

Thailand

This prospectus does not, and is not intended to, constitute a public offering in Thailand. The ADSs may not be offered or sold to persons in Thailand, unless such offering is made under the exemptions from approval and filing requirements under applicable laws, or under circumstances which do not constitute an offer for sale of the shares to the public for the purposes of the Securities and Exchange Act of 1992 of Thailand, nor require approval from the Office of the Securities and Exchange Commission of Thailand.

United Arab Emirates

The ADSs have not been offered or sold, and will not be offered or sold, directly or indirectly, in the United Arab Emirates, except: (i) in compliance with all applicable laws and regulations of the United Arab Emirates; and (ii) through persons or corporate entities authorized and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the United Arab Emirates. The information contained in this prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise and is not intended to be a public offer and is addressed only to persons who are sophisticated investors.

United Kingdom

This prospectus has not been approved by an authorized person in the United Kingdom and is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) in connection with the issue or sale of any ADSs may otherwise lawfully be communicated or caused to be communicated pursuant to the Financial Promotion Order (all such persons together being referred to as “relevant persons”). This prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this prospectus relates is available only to relevant persons and will be engaged in only with relevant persons. No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

Vietnam

The ADSs have not been and will not be registered with the State Securities Commission of Vietnam under the Law on Securities of Vietnam and its guiding decrees and circulars. The ADSs will not be offered or sold in Vietnam through a public offering and will not be offered or sold to Vietnamese persons other than those who are licensed to invest in offshore securities under the Law on Investment of Vietnam.

EXPENSES RELATED TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the Financial Industry Regulatory Authority, Inc. ("FINRA"), filing fee, and the [stock exchange application and listing fee], all amounts are estimates.

SEC Registration Fee	US$
FINRA Fee	
[Stock exchange application and listing fee]	
Printing and Engraving Expenses	
Legal Fees and Expenses	
Accounting Fees and Expenses	
Miscellaneous	
Total	**US$**

LEGAL MATTERS

We are being represented by Skadden, Arps, Slate, Meagher & Flom LLP with respect to certain legal matters as to United States federal securities and New York State law. The underwriters are being represented by Davis Polk & Wardwell LLP with respect to certain legal matters as to United States federal securities and New York State law. The validity of the ordinary shares represented by the ADSs to be sold in this offering will be passed upon for us by Conyers Dill & Pearman. Certain legal matters as to PRC law will be passed upon for us by JunHe LLP and for the underwriters by King & Wood Mallesons. Skadden, Arps, Slate, Meagher & Flom LLP may rely upon Conyers Dill & Pearman with respect to matters governed by Cayman Islands law and JunHe LLP with respect to matters governed by PRC law. Davis Polk & Wardwell LLP may rely upon King & Wood Mallesons with respect to matters governed by PRC law.

EXPERTS

The financial statements as of December 31, 2017 and 2018 and for each of the two years in the period ended December 31, 2018 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The office of PricewaterhouseCoopers Zhong Tian LLP is located at 11th Floor, PricewaterhouseCoopers Center, Link Square 2, 202 Hu Bin Road, Shanghai, the People's Republic of China.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement, including relevant exhibits, with the SEC on Form F-1 under the Securities Act with respect to the underlying ordinary shares represented by the ADSs to be sold in this offering. We have also filed a related registration statement on Form F-6 with the SEC to register the ADSs. This prospectus, which constitutes a part of the registration statement on Form F-1, does not contain all of the information contained in the registration statement. You should read our registration statements and their exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon the effectiveness of the registration statement on Form F-1 of which this prospectus forms a part, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. The SEC maintains an internet site at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. We maintain our website at http://www.i-mabbiopharma.com/en/.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to furnish the depositary with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, if we so request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

I-Mab

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I-Mab

Note:

Effective July 15, 2017, the registrant acquired 66.67% equity interest of I-Mab Bio-tech (Tianjin) Co., Ltd. (referred to as "Tasgen Group") for approximately US$63,802,000 by issuance of convertible preferred shares (the "Acquisition"). Under Rule 3-05 of Regulation S-X, when comparing Tasgen Group's total assets with registrant's total assets, the Acquisition was determined to be greater than 50% to the registrant on the basis of the most recent pre-Acquisition annual financial statements (being the year ended December 31, 2016), and the net revenue reported by Tasgen Group in its most recent fiscal year (being the year ended December 31, 2018)

was less than US$100.0 million, hence requiring 2 years of audited financial statements for Tasgen Group to be provided in connection with any public offering of securities by the registrant. To meet the two-year audited financial statements requirement, the registrant is filing the pre-Acquisition financial statements for Tasgen Group from January 1, 2017 (the first day of Tasgen Group's fiscal year) through July 15, 2017 (the Acquisition's effective date), so as to provide potential investors with 2 years of financial statements for Tasgen Group.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of I-Mab

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of I-Mab and its subsidiaries (the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of comprehensive loss, of changes in shareholders' equity (deficit) and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
July 29, 2019

We have served as the Company's auditor since 2018.

I-MAB
Consolidated Balance Sheets
As of December 31, 2017 and 2018
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Notes	As of December 31, 2017 RMB	As of December 31, 2018 RMB	As of December 31, 2018 US$ (Note 2.5)
Assets				
Current assets				
Cash and cash equivalents		307,930	1,588,278	231,357
Restricted cash	9	104,783	92,653	13,496
Contract assets	18	—	11,000	1,602
Prepayments and other receivables	4	12,633	88,972	12,962
Other financial assets	2.4, 5	266,245	255,958	37,284
Total current assets		691,591	2,036,861	296,701
Property, equipment and software	6	22,336	27,659	4,029
Intangible assets	7	148,844	148,844	21,682
Goodwill	8	162,574	162,574	23,682
Total assets		**1,025,345**	**2,375,938**	**346,094**
Liabilities, mezzanine equity and shareholders' equity (deficit)				
Current liabilities				
Short-term borrowings	9	99,000	80,000	11,653
Accruals and other payables	10	14,509	67,674	9,858
Contract liabilities	18	15,803	—	—
Advance from customers	18	—	14,151	2,061
Research and development funding received	23	—	178,715	26,033
Warrant liabilities	2.4, 15	65,832	5,618	818
Total current liabilities		195,144	346,158	50,423
Convertible promissory notes	14	77,810	67,026	9,763
Onshore convertible loans	14	36,197	—	—
Deferred subsidy income	2.12	—	2,500	364
Total liabilities		**309,151**	**415,684**	**60,550**
Commitments and contingencies	22			
Mezzanine equity				
Series A convertible preferred shares (US$0.0001 par value, 21,865,233 and 30,227,056 shares authorized, issued and outstanding as of December 31, 2017 and 2018, respectively)	13	363,766	687,482	100,143
Series B convertible preferred shares (US$0.0001 par value, 15,894,594 and 30,305,212 shares authorized, issued and outstanding as of December 31, 2017 and 2018, respectively)	13	346,515	921,243	134,194
Series C convertible preferred shares (US$0.0001 par value, 31,046,360 shares authorized, issued and outstanding as of December 31, 2018)	13	—	1,306,633	190,333
Redeemable non-controlling interests	16	305,708	—	—
Total mezzanine equity		**1,015,989**	**2,915,358**	**424,670**

I-MAB
Consolidated Balance Sheets (Continued)
As of December 31, 2017 and 2018
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Notes	As of December 31, 2017 RMB	2018 RMB	2018 US$ (Note 2.5)
Shareholders' equity (deficit)				
Ordinary shares (US$0.0001 par value, 500,000,000 shares authorized as of December 31, 2017 and 2018, 8,363,719 shares authorized, issued and outstanding as of December 31, 2017 and 2018, respectively)	12	6	6	1
Treasury stock	17	(1)	(1)	(0)
Additional paid-in capital		52,369	—	—
Accumulated other comprehensive income		5,691	59,380	8,650
Accumulated deficit		(357,860)	(1,014,489)	(147,777)
Total shareholders' equity (deficit)		**(299,795)**	**(955,104)**	**(139,126)**
Total liabilities, mezzanine equity and shareholders' equity (deficit)		**1,025,345**	**2,375,938**	**346,094**

The accompanying notes are an integral part of these consolidated financial statements.

I-MAB
Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2017 and 2018
(All amounts in thousands, except for share and per share data, unless otherwise noted)

		Year Ended December 31,		
		2017	2018	
	Notes	RMB	RMB	US$ (Note 2.5)
Revenues				
Licensing and collaboration revenue	18	11,556	53,781	7,834
Expenses				
Research and development expenses	18	(267,075)	(426,028)	(62,058)
Administrative expenses		(25,436)	(66,391)	(9,671)
Loss from operations		(280,955)	(438,638)	(63,895)
Interest income		858	4,597	670
Interest expense		(5,643)	(11,695)	(1,704)
Other income (expenses), net	19	1,527	(16,780)	(2,444)
Fair value change of warrants	2.4	(14,027)	61,405	8,945
Loss before income tax expense		(298,240)	(401,111)	(58,428)
Income tax expense	11	—	(1,722)	(251)
Net loss attributable to I-MAB		(298,240)	(402,833)	(58,679)
Other comprehensive income				
Foreign currency translation adjustments, net of nil tax		5,918	53,689	7,821
Total comprehensive loss attributable to I-MAB		**(292,322)**	**(349,144)**	**(50,858)**
Net loss attributable to ordinary shareholders		(298,240)	(402,833)	(58,679)
Weighted-average number of ordinary shares used in calculating net loss per share—basic and diluted	20	5,742,669	6,529,092	6,529,092
Net loss per share attributable to ordinary shareholders				
—Basic	20	(51.93)	(61.70)	(8.99)
—Diluted	20	(51.93)	(61.70)	(8.99)

The accompanying notes are an integral part of these consolidated financial statements.

I-MAB
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For the Years Ended December 31, 2017 and 2018
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Ordinary share (Note 12) (US$0.001 par value)		Treasury stock	Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total shareholders' equity (deficit)
	Number of shares	Amount					
		RMB	RMB	RMB	RMB	RMB	RMB
Balance as of December 31, 2016	8,363,719	6	(2)	45,331	(227)	(59,620)	(14,512)
Foreign currency translation adjustments	—	—	—	—	5,918	—	5,918
Net loss	—	—	—	—	—	(298,240)	(298,240)
Share-based compensation	—	—	1	7,038	—	—	7,039
Balance as of December 31, 2017	8,363,719	6	(1)	52,369	5,691	(357,860)	(299,795)
Foreign currency translation adjustments	—	—	—	—	53,689	—	53,689
Net loss	—	—	—	—	—	(402,833)	(402,833)
Share-based compensation	—	—	—	3,520	—	—	3,520
Transaction with redeemable non-controlling interests (Note 16)	—	—	—	(55,889)	—	(253,796)	(309,685)
Balance as of December 31, 2018	8,363,719	6	(1)	—	59,380	(1,014,489)	(955,104)

The accompanying notes are an integral part of these consolidated financial statements.

I-MAB
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017 and 2018
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Year Ended December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Cash flows from operating activities			
Net loss	(298,240)	(402,833)	(58,679)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation of property, equipment and software	1,634	6,740	982
Loss on disposal of property, equipment and software	79	—	—
Interest expenses of convertible promissory notes and onshore convertible loans	3,835	6,963	1,014
Fair value change of warrants	14,027	(61,405)	(8,945)
Income from other financial assets	(5,572)	(13,622)	(1,984)
Share-based compensation	7,039	3,520	513
Loss from conversion of 2017 Notes	—	18,375	2,677
Loss from conversion of onshore convertible loans	—	8,548	1,245
Loss from issuance of 2018 Notes	—	5,081	740
Changes in operating assets and liabilities			
Contract assets	—	(11,000)	(1,602)
Prepayments and other receivables	8,830	(76,276)	(11,111)
Accruals and other payables	408	55,641	8,105
Contract liabilities	15,803	(15,803)	(2,302)
Advance from customers	—	14,151	2,061
Research and development funding received	—	178,715	26,033
Deferred subsidy income	—	2,500	364
Net cash used in operating activities	(252,157)	(280,705)	(40,889)
Cash flows from investing activities			
Cash acquired from acquisition of a subsidiary	93,335	—	—
Purchase of property, equipment and software	(20,327)	(14,409)	(2,099)
Cash paid for investments in other financial assets	(369,000)	(30,000)	(4,370)
Cash received from disposal of other financial assets	133,000	40,000	5,827
Cash received on income from other financial assets	5,327	13,909	2,026
Net cash (used in) generated from investing activities	(157,665)	9,500	1,384
Cash flows from financing activities			
Proceeds from issuance of convertible preferred shares, net of issuance cost	346,515	1,306,633	190,333
Proceeds from issuance of redeemable non-controlling interest	161,196	—	—
Proceeds from issuance of convertible promissory notes	75,970	59,704	8,697
Proceeds from issuance of onshore convertible loans	35,341	—	—
Proceeds from issuance of warrants	40,563	—	—
Proceeds from exercise of warrants	—	132,332	19,276
Proceeds from bank borrowings	99,000	80,000	11,653
Repayment of bank borrowings	—	(99,000)	(14,421)
Net cash generated from financing activities	758,585	1,479,669	215,538

I-MAB
Consolidated Statements of Cash Flows (Continued)
For the Years Ended December 31, 2017 and 2018
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Year Ended December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(132)	59,754	8,702
Net increase in cash and cash equivalents and restricted cash	348,631	1,268,218	184,735
Cash, cash equivalents, and restricted cash, beginning of year	64,082	412,713	60,118
Cash, cash equivalents, and restricted cash, end of the year	412,713	1,680,931	244,853
Supplemental cash flow disclosures			
Interest paid	1,677	4,862	708
Non-cash activities:			
Exercise of warrants	—	1,314	191
Payables for purchase of property, equipment and software	2,346	—	—
Payables for in-licensed patent rights	—	5,970	870
Convertible preferred shares issued for business combination (Note 3)	289,024	—	—

The accompanying notes are an integral part of these consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

1. PRINCIPAL ACTIVITIES AND ORGANIZATION

I-Mab (the "Company") was incorporated in the Cayman Islands on June 30, 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company and its subsidiaries (together the "Group") are principally engaged in discovering and developing transformational biologics in the fields of immuno-oncology and immuno-inflammation diseases in the People's Republic of China (the "PRC") and other countries and regions.

Prior to the incorporation of the Company, the Group carried out its operation in the PRC since November 2014 mainly through Third Venture Biopharma (Nanjing) Co., Ltd. ("Third Venture"), which was incorporated on November 17, 2014 in the PRC. For the purpose of introduction of overseas investors and in preparation for a listing of the Company's shares on the overseas capital markets, the Group underwent a reorganization (the "Reorganization") in 2016. The Reorganization was approved by the Board of Directors and a restructuring framework agreement was entered into by Third Venture, the Company, and the shareholders of the Company based on Reorganization framework agreement, pursuant to which on July 7, 2016, Third Venture transferred all of its assets and operations to the Company's wholly owned subsidiary, I-Mab Biopharma Co., Ltd. ("I-Mab Shanghai"), which was a transaction in which shareholders had identical ownership interests before and after the transaction and was accounted for in a manner similar to a common control transaction.

The Reorganization, as described above has been accounted for at historical cost. That Reorganization was reverse merger of Third Venture and Third Venture is the predecessor of the Company. As such, the assets and liabilities of Third Venture are consolidated in the Company's financial statements at historical cost.

As of December 31, 2018, the Company's principal subsidiaries are as follows:

Subsidiaries	Place of incorporation	Date of incorporation or acquisition	Percentage of direct or indirect ownership by the Company	Principal activities
I-Mab Biopharma Hong Kong Limited	Hong Kong	July 8, 2016	100%	Investment holding
I-Mab Shanghai	PRC	August 24, 2016	100%	Research and development of innovative medicines
I-Mab Bio-tech (Tianjin) Co., Ltd. ("I-Mab Tianjin")	PRC	July 15, 2017	100%	Research and development of innovative medicines
I-Mab Biopharma US Ltd.	U.S.	February 28, 2018	100%	Research and development of innovative medicines

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Significant accounting policies followed by the Group in the preparation of its accompanying consolidated financial statements are summarized below.

2.2 Basis of consolidation

The accompanying consolidated financial statements reflect the accounts of the Company and all of its subsidiaries in which a controlling interest is maintained. All inter-company balances and transactions have been eliminated in consolidation.

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for amounts recorded in connection with acquisitions, including initial fair value determinations of assets and liabilities and other intangible assets. Additionally, estimates are used in determining items such as useful lives of property, equipment and software, impairment of contract assets and other receivables, impairment of long-lived assets and goodwill, share-based compensation, tax valuation allowances and revenues from licensing and collaboration arrangements. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates.

2.4 Fair value measurements

Financial assets and liabilities of the Group primarily comprise of cash and cash equivalents, restricted cash, other financial assets, contract assets, other receivables, short-term borrowings, accruals and other payables and warrants liabilities. As of December 31, 2017 and 2018, except for other financial assets and warrant liabilities, the carrying values of these financial assets and liabilities approximated their fair values because of their generally short maturities. The Group reports other financial assets and warrant liabilities at fair value at each balance sheet date and changes in fair value are reflected in the consolidated statements of comprehensive loss.

The Group measures its financial assets and liabilities using inputs from the following three levels of the fair value hierarchy. The three levels are as follows:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets that the management has the ability to access at the measurement date.

Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.4 Fair value measurements (continued)

Level 3 includes unobservable inputs that reflect the management's assumptions about the assumptions that market participants would use in pricing the asset. The management develops these inputs based on the best information available, including the own data.

Assets and liabilities measured at fair value on a recurring basis

The Group measured its other financial assets and warrant liabilities at fair value on a recurring basis. As the Group's other financial assets and warrants are not traded in an active market with readily observable prices, the Group uses significant unobservable inputs to measure the fair value of other financial assets and warrant liabilities. These instruments are categorized in the Level 3 valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement.

The following table summarizes the Group's financial assets and liabilities measured and recorded at fair value on a recurring basis as of December 31, 2017 and 2018:

	As of December 31, 2017			
	Active market (Level 1) RMB	Observable input (Level 2) RMB	Non-observable input (Level 3) RMB	Total RMB
Assets:				
Other financial assets	—	—	266,245	266,245
Liabilities:				
Warrant liabilities	—	—	65,832	65,832

	As of December 31, 2018			
	Active market (Level 1) RMB	Observable input (Level 2) RMB	Non-observable input (Level 3) RMB	Total RMB
Assets:				
Other financial assets	—	—	255,958	255,958
Liabilities:				
Warrant liabilities	—	—	5,618	5,618

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.4 Fair value measurements (continued)

The roll forward of major Level 3 financial asset and financial liability are as follows:

	Other financial assets	Warrant liabilities
Fair value of Level 3 financial asset and liability as of December 31, 2016	—	(12,931)
Business combination (Note3)	30,000	—
Investment in other financial assets	369,000	—
Issuance of warrants to investors	—	(40,563)
Disposal of other financial assets	(133,000)	—
Fair value change	5,572	(14,027)
Income received from other financial assets	(5,327)	—
Currency translation differences	—	1,689
Fair value of Level 3 financial asset and liability as of December 31, 2017	266,245	(65,832)
Investment in other financial assets	30,000	—
Disposal of other financial assets	(40,000)	—
Fair value change	13,622	61,405
Exercise of warrants	—	1,314
Income received from other financial assets	(13,909)	—
Currency translation differences	—	(2,505)
Fair value of Level 3 financial assets and financial as of December 31, 2018	255,958	(5,618)

Refer to Note 15 for additional information about Level 3 warrant liabilities measured at fair value on a recurring basis for the years ended December 31, 2017 and 2018.

2.5 Foreign currency translation

The Group uses Chinese Renminbi (“RMB”) as its reporting currency. The United States Dollar (“US$”) is the functional currency of the Group’s entities incorporated in the Cayman Islands, the United States of America (“U.S.”) and Hong Kong, the Australia Dollar (“AUD”) is the functional currency of the Group’s entity incorporated in Australia and the RMB is the functional currency of the Company’s PRC subsidiaries.

Transactions denominated in other than the functional currencies are translated into the functional currency of the entity at the exchange rates prevailing on the transaction dates. Assets and liabilities denominated in other than the functional currencies are translated at the balance sheet date exchange rate. The resulting exchange differences are recorded in the consolidated statements of comprehensive loss.

The consolidated financial statements of the Group are translated from the functional currency to the reporting currency, RMB. Assets and liabilities of the subsidiaries are translated into RMB using the exchange rate in effect at each balance sheet date. Income and expenses are translated at the average exchange rates prevailing for the year. Foreign currency translation adjustments arising from these are reflected in the accumulated other

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation (continued)

comprehensive income. The exchange rates used for translation on December 31, 2017 and 2018 were US$1.00 = RMB6.5342 and RMB6.8632, respectively, representing the index rates stipulated by the People's Bank of China.

Translations of balances in the consolidated balance sheets, consolidated statements of comprehensive loss, consolidated statements of changes in shareholders' equity (deficit) and consolidated statements of cash flows from RMB into US$ as of and for the year ended December 31, 2018 are solely for the convenience of the readers and were calculated at the rate of US$1.00=RMB6.8650, representing the noon buying rate in The City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York on June 30, 2019. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on December 31, 2018, or at any other rate. The US$ convenience translation is not required under U.S. GAAP and all US$ convenience translation amounts in the accompanying consolidated financial statements are unaudited.

2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits, which are unrestricted as to withdrawal and use. The Company considers all highly liquid investments with an original maturity date of three months or less at the date of purchase to be cash equivalents.

2.7 Restricted cash

Restricted cash consists of the guarantee deposits held in a designated bank account as security deposits under bank borrowing agreements. Such restricted cash will be released when the Group repays the related bank borrowings.

2.8 Property, equipment and software

Property, equipment and software are stated at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the following estimated useful lives, taking into account any estimated residual value:

Laboratory equipment	3 to 5 years
Software	2 to 5 years
Office furniture and equipment	5 years
Leasehold improvements	Lesser of useful life or lease term

The Group recognized the gain or loss on the disposal of property, equipment and software in the consolidated statements of comprehensive loss.

2.9 Intangible assets

Intangible assets with definite useful lives are amortized to their estimated residual values over their estimated useful lives and reviewed for impairment if certain events or changes in circumstances indicate that the carrying

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets (continued)

amount of an asset may not be recoverable. Amortization is initiated for in-process research and development (IPR&D) intangible assets that are acquired from business combination when their useful lives have been determined. IPR&D intangible assets which are determined to have an impairment in their fair value are adjusted downward and an expense recognized in research and development in the consolidated statements of comprehensive loss. These IPR&D intangible assets are tested at least an annual basis on December 31 or when a triggering event occurs that could indicate a potential impairment. (see Note 7).

2.10 Impairment of long-lived assets

Long-lived assets are reviewed for impairment in accordance with authoritative guidance for impairment or disposal of long-lived assets. Long-lived assets are reviewed for events or changes in circumstances, which indicate that their carrying value may not be recoverable. Long-lived assets are reported at the lower of carrying amount or fair value less cost to sell. For the years ended December 31, 2017 and 2018, there was no impairment of the value of the Group's long-lived assets.

2.11 Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The Group allocates the cost of an acquired entity to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the purchase price for acquisitions over the fair value of the net assets acquired, including other intangible assets, is recorded as goodwill. Goodwill is not amortized, but impairment of goodwill assessment is performed on at least an annual basis on December 31 or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

The Group has elected to first assess qualitative factors to determine whether it is more likely than not that the fair value of the Group's reporting unit is less than its carrying amount, including goodwill. The qualitative assessment includes the Group's evaluation of relevant events and circumstances affecting the Group's single reporting unit, including macroeconomic, industry, market conditions and the Group's overall financial performance. If qualitative factors indicate that it is more likely than not that the Group's reporting unit's fair value is less than its carrying amount, then the Group will perform the quantitative impairment test by comparing the reporting unit's carrying amount, including goodwill, to its fair value. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess. For the years ended December 31, 2017 and 2018, the Group determined that there were no indicators of impairment of the goodwill.

2.12 Deferred subsidy income

Deferred subsidy income consists of deferred income from government grants. Government grants consist of cash subsidies received by the Group's subsidiaries in the PRC from local governments as support on expenses relating to certain projects. Grants received with government specified performance obligations are recognized when all the obligations have been fulfilled. If such obligations are not satisfied, the Group may be required to refund the subsidy. Cash grants of RMB2,500 was recorded in deferred subsidy income as of December 31, 2018, which will be recognized when the government specified performance obligation is satisfied, which is expected to be more than 12 months after December 31, 2018.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.13 Revenue recognition

The Group adopted Accounting Standard Codification ("ASC") 606, *Revenue from Contracts with Customers* (Topic 606) ("ASC 606") for all periods presented. Consistent with the criteria of Topic 606, the Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services.

Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration, if any; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Group only applies the five-step model to contracts when it is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services it transfers to the customer.

Once a contract is determined to be within the scope of ASC 606 at contract inception, the Group reviews the contract to determine which performance obligations it must deliver and which of these performance obligations are distinct. The Group recognizes as revenue the amount of the transaction price that is allocated to each performance obligation when that performance obligation is satisfied or as it is satisfied.

Collaboration revenue

At contract inception, the Group analyzes its collaboration arrangements to assess whether they are within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808") to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Group first determines if the collaboration is deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For the collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently.

The Group's collaborative arrangements may contain more than one unit of account, or performance obligation, including grants of licenses to intellectual property rights, agreement to provide research and development services and other deliverables. The collaborative arrangements do not include a right of return for any deliverable. As part of the accounting for these arrangements, the Group must develop assumptions that require judgment to determine the stand-alone selling price for each performance obligation identified in the contract. In developing the stand-alone selling price for a performance obligation, the Group considers competitor pricing for a similar or identical product, market awareness of and perception of the product, expected product life and current market trends. In general, the consideration allocated to each performance obligation is recognized when the respective obligation is satisfied either by delivering a good or providing a service, limited to the consideration that is not constrained.

When the timing of the delivery of product is different from the timing of payments made by the customers, the Group recognizes either a contract asset (performance precedes the contractual due date) or a contract liability

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.13 Revenue recognition (continued)

(customer payment precedes performance). The Group's contractual payment terms are typically due in no more than 30 days from invoicing. In limited situations, certain customer contractual payment terms require the Group to bill in arrears; thus, the Group satisfies some or all of the performance obligations before the Group is contractually entitled to bill the customer. In these situations, billing occurs subsequent to revenue recognition, which results in a contract asset. For example, certain of the contractual arrangements do not permit the Group to bill until the completion of the production of the samples. In other limited situations, certain customer contractual payment terms allow the Group to bill in advance; thus, the Group receives customer cash payment before satisfying some or all of its performance obligations. In these situations, billing occurs in advance of revenue recognition, which results in contract liabilities.

Licenses of Intellectual Property: Upfront non-refundable payments for licensing the Group's intellectual property are evaluated to determine if the license is distinct from the other performance obligations identified in the arrangement. For licenses determined to be distinct, the Group recognizes revenues from non-refundable, up-front fees allocated to the license at a point in time, when the license is transferred to the licensee and the licensee is able to use and benefit from the license.

Research and Development Services: The portion of the transaction price allocated to research and development services performance obligations is deferred and recognized as collaboration revenue over time as delivery or performance of such services occurs.

Milestone Payments: At the inception of each arrangement that includes development, commercialization, and regulatory milestone payments, the Group evaluates whether the milestones are considered probable of being reached and to the extent that a significant reversal of cumulative revenue would not occur in future periods, estimates the amount to be included in the transaction price using the most likely amount method. The transaction price is then allocated to each performance obligation on a relative stand-alone selling price basis, for which the Group recognizes revenue as or when the performance obligations under the contract are satisfied. At the end of each subsequent reporting period, the Group re-evaluates the probability of achieving such development milestones and any related constraint, and if necessary, adjust the estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues and earnings in the period of adjustment.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Group recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

2.14 Value-added-tax ("VAT") recoverable and surcharges

Value added tax recoverable represent amounts paid by the Group for purchases. The surcharges (i.e., Urban construction and maintenance tax, educational surtax, local educational surtax), vary from 6% to 17% of the value-added-tax depending on the tax-payer's location.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.15 Research and development expenses

Elements of research and development expenses primarily include (1) payroll and other related expenses of personnel engaged in research and development activities, (2) in-licensed patent rights fee of exclusive development rights of drugs granted to the Group, (3) expenses related to preclinical testing of the Group's technologies and clinical trials such as payments to contract research organizations ("CRO"), investigators and clinical trial sites that conduct the clinical studies (4) expenses to develop the product candidates, including raw materials and supplies, product testing, depreciation, and facility related expenses, (5) other research and development expenses. Research and development expenses are charged to expense as incurred when these expenditures relate to the Group's research and development services and have no alternative future uses.

The Group has acquired rights to develop and commercialize product candidates. Upfront payments that relate to the acquisition of a new drug compound, as well as pre-commercial milestone payments, are immediately expensed as acquired in-process research and development in the period in which they are incurred, provided that the new drug compound did not also include processes or activities that would constitute a "business" as defined under U.S. GAAP, the drug has not achieved regulatory approval for marketing and, absent obtaining such approval, has no established alternative future use. Milestone payments made to third parties subsequent to regulatory approval would be capitalized as intangible assets and amortized over the estimated remaining useful life of the related product. The conditions enabling capitalization of development expenses as an asset have not yet been met and, therefore, all development expenditures are recognized in profit or loss when incurred.

2.16 Leases

Leases are classified at the inception date as either a capital lease or an operating lease. the Group assesses a lease to be a capital lease if any of the following conditions exist: (1) ownership is transferred to the lessee by the end of the lease term, (2) there is a bargain purchase option, (3) the lease term is at least 75% of the property's estimated remaining economic life or (4) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there was an acquisition of an asset and an incurrence of an obligation at the inception of the lease. The Group has no capital leases for the years presented.

All other leases are accounted for as operating leases wherein rental payments are expensed on a straight-line basis over the periods of their respective lease terms. Certain of the lease agreements contain rent holidays. Rent holidays are considered in determining the straight-line rent expense to be recorded over the lease term. The lease term begins on the date of initial possession of the lease property for purposes of recognizing lease expense on straight-line basis over the term of the lease.

2.17 Comprehensive loss

Comprehensive loss is defined as the changes in equity of the Group during a period from transactions and other events and circumstances excluding transactions resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, *Comprehensive Income*, requires that all items that are required to be recognized under current accounting standards as components of comprehensive loss be reported in a financial statement that is displayed with the same prominence as other financial statements. For each of the periods presented, the Group's comprehensive loss includes net loss and foreign currency translation adjustments, which are presented in the consolidated statements of comprehensive loss.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.18 Share-based compensation

The Company grants restricted shares and stock options to eligible employees and accounts for share-based compensation in accordance with ASC 718, *Compensation—Stock Compensation*.

Employees' share-based compensation awards are measured at the grant date fair value of the awards and recognized as expenses a) immediately at the grant date if no vesting conditions are required; or b) for share-based awards granted with only service conditions, using the graded vesting method net of estimated forfeitures over the vesting period; or c) for share-based awards granted with service conditions and the occurrence of an initial public offering ("IPO") as performance condition cumulative share-based compensation expenses for the options that have satisfied the service condition should be recorded upon the completion of the IPO using the graded vesting method.

A change in any of the terms or conditions of share-based awards is accounted for as a modification of the awards. The Group calculates incremental compensation expense of a modification as the excess of the fair value of the modified awards over the fair value of the original awards immediately before its terms are modified at the modification date. For vested awards, the Group recognizes incremental compensation cost in the period when the modification occurs. For awards not being fully vested, the Group recognizes the sum of the incremental compensation expense and the remaining unrecognized compensation expense for the original awards over the remaining requisite service period after modification.

Share-based compensation in relation to the restricted shares is measured based on the fair market value of the Group's ordinary shares at the grant date of the award. Prior to the listing, estimation of the fair value of the Group's ordinary shares involves significant assumptions that might not be observable in the market, and a number of complex and subjective variables, including discount rate, and subjective judgments regarding the Group's projected financial and operating results, its unique business risks, the liquidity of its ordinary shares and its operating history and prospects at the time the grants are made. Share-based compensation in relation to the share options is estimated using the Binominal Option Pricing Model. The determination of the fair value of share options is affected by the share price of the Group's ordinary shares as well as the assumptions regarding a number of complex and subjective variables, including the expected share price volatility, risk-free interest rate, exercise multiple and expected dividend yield. The fair value of these awards was determined with the assistance from an independent valuation firm.

2.19 Income taxes

The Group accounts for income taxes under the liability method. Under the liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and income tax bases of assets and liabilities and are measured using the tax income rates that will be in effect when the differences are expected to reverse. A valuation allowance is recorded if it is more likely than not that some portion or all of a deferred income tax assets will not be realized in the foreseeable future.

The Group evaluates its uncertain tax positions using the provisions of ASC 740-10, *Income Taxes*, which prescribes a recognition threshold that a tax position is required to meet before being recognized in the financial statements. The Group recognizes in the financial statements the benefit of a tax position which is ''more likely than not'' to be sustained under examination based solely on the technical merits of the position assuming a review by tax authorities having all relevant information. Tax positions that meet the recognition threshold are

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.19 Income taxes (continued)

measured using a cumulative probability approach, at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. It is the Group's policy to recognize interest and penalties related to unrecognized tax benefits, if any, as a component of income tax expense.

2.20 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statements of comprehensive loss over the period of the borrowings using the effective interest method.

2.21 Business combination

The Group accounts for its business combinations using the acquisition method of accounting in accordance with ASC topic 805, *Business Combinations* ("ASC 805"). The acquisition method of accounting requires all of the following steps: (i) identifying the acquirer, (ii) determining the acquisition date, (iii) recognizing and measuring the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, and (iv) recognizing and measuring goodwill or a gain from a bargain purchase. The consideration transferred in a business combination is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred, and equity instruments issued as well as the contingent considerations and all contractual contingencies as of the acquisition date.

The Group allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets may include, but are not limited to, future expected cash flows from acquired assets, timing and probability of success of clinical events and regulatory approvals, and assumptions on useful lives of the patents and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Additional information, such as that related to income tax and other contingencies, existing as of the acquisition date but unknown to us may become known during the remainder of the measurement period, not to exceed one year from the acquisition date, which may result in changes to the amounts and allocations recorded.

Acquisitions that do not meet the accounting definition of a business combination are accounted for as asset acquisitions. For transactions determined to be asset acquisitions, the Group allocates the total cost of the acquisition, including transaction costs, to the net assets acquired based on their relative fair values.

2.22 Segment information

In accordance with ASC 280, *Segment Reporting*, the Group's chief operating decision maker, the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.22 Segment information (continued)

Group does not distinguish between markets or segments for the purpose of internal reporting. As the Group's long-lived assets are substantially located in and derived from the PRC, no geographical segments are presented.

2.23 Loss per share

Basic loss per share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, the net loss is allocated between ordinary shares and other participating securities based on their participating rights. Net loss is not allocated to other participating securities if based on their contractual terms they are not obligated to share in the loss. Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of shares issuable upon the conversion of the preferred shares using the if-converted method, shares issuable upon the exercise of share options using the treasury stock method, shares issuable upon the conversion of the convertible promissory notes using the if-converted method, and shares issuable upon the exercise of warrants using the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such shares would be anti-dilutive.

2.24 Recent accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) ("ASU 2016-02"). Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. This guidance offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842): Targeted Improvements ("ASU 2018-11"), which provides entities the option to initially apply ASU 2016-02 at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. ASU 2016-02 and ASU 2018-11 are effective for the annual reporting period beginning after December 15, 2018, including interim periods within that reporting period. The Group adopted the new leasing standards on January 1, 2019, using a modified retrospective transition approach to be applied to leases existing as of, or entered into after, January 1, 2019. The Group have reviewed the existing lease contracts and the impact of the new leasing standards on the consolidated results of operations, financial position and disclosures. Upon adoption of the new leasing standards, the Group expect to recognize a lease liability and related right-of-use asset on the consolidated balance sheets of approximately RMB11,333 and RMB13,100, respectively. The impact of adoption of the new leasing standards will have an immaterial impact to the consolidated statements of comprehensive loss.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). This guidance requires that financial assets measured at amortized cost be presented at the net amount expected to be collected. The measurement of expected credit losses is based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability. In November 2018, the FASB issued ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments-Credit Losses ("ASU 2018-19"), which clarifies certain

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.24 Recent accounting pronouncements (continued)

topics included within ASU 2016-13. ASU 2016-13 and ASU 2018-19 are effective for the annual reporting period beginning after December 15, 2019, including interim periods within that reporting period. The Group is currently evaluating the impact on the consolidated financial statements upon the adoption of this guidance.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments. ASU 2016-15 provides guidance for targeted changes with respect to how cash receipts and cash payments are classified in the statements of cash flows, with the objective of reducing diversity in practice. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The Group elected to early adopt this ASU and applied this guidance retrospectively to all periods presented. The impact of this ASU to the consolidated financial statements is immaterial.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230) (“ASU 2016-18”). This ASU affects all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. This update was required to be adopted for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, and early adoption is permitted in any interim or annual period. The Group elected to early adopt this ASU and applied this guidance retrospectively to all periods presented.

3. BUSINESS COMBINATION

In 2017, the Group acquired 66.67% of the equity interests in I-Mab Tianjin and its subsidiaries including Chengdu Tasgen Bio-Tech Co., Ltd. and Shanghai Tianyunjian Bio-Tech Co., Ltd. (together the “Tasgen Group”) by issuing convertible preferred shares to the then equity holders of I-Mab Tianjin. The acquisition date was determined as July 15, 2017 when the Group controlled the board and business of I-Mab Tianjin from July 15, 2017 accordingly.

I-Mab Tianjin and its subsidiaries are principally engaged in the research and development of innovative medicines. The Group acquired I-Mab Tianjin and its subsidiaries for its research team, technical experience, and pipeline assets.

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The Company allocates the cost of an acquired entity to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the purchase price for acquisitions over the fair value of the net assets acquired, including other intangible assets, is recorded as goodwill. Goodwill is not amortized but is tested for impairment at least annually or more frequently if events or changes in circumstances would indicate a potential impairment. None of the goodwill recognized is expected to be deductible for income tax purpose.

The Group completed the valuations necessary to assess the fair values of the tangible assets acquired and liabilities assumed, resulting from which the amount of goodwill was determined and recognized as of the date of

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3. BUSINESS COMBINATION (CONTINUED)

acquisition. The following table summarizes the estimated aggregate fair values of the assets acquired and liabilities assumed as of the date of acquisition:

	As of July 15, 2017	
	RMB	US$ (Note 2.5)
Convertible preferred shares to be issued (Note 13)	289,024	42,100
Cash and cash equivalents	93,335	13,596
Other financial assets (Note 5)	30,000	4,370
Intangible assets (*)	148,844	21,682
Prepayments and other receivables	564	82
Equipment and software	43	6
Total assets	272,786	39,736
Accruals and other payables	(1,824)	(266)
Fair value of net assets	270,962	39,470
Redeemable non-controlling interests (Note 16)	144,512	21,051
Goodwill	162,574	23,682

* The intangible assets acquired in the business combination were IPR&D intangible assets, which represented the fair value assigned to research and development assets that the Group acquired.

The acquired business did not contribute any revenues and contributed net loss of RMB14,750 to the Group for the period from July 15, 2017 to December 31, 2017. Unaudited pro forma operating results for the Group, assuming the acquisition of Tasgen Group occurred on January 1, 2017 is as follows:

	For the year ended December 31, 2017	
	RMB	US$ (Note 2.5)
Net revenues	11,556	1,683
Net loss	(314,489)	(45,810)

The following summarizes the business combination as presented on the consolidated statement of cash flows:

	For the year ended December 31, 2017	
	RMB	US$ (Note 2.5)
Investing activities		
Cash acquired for acquisition of a subsidiary	93,335	13,596
Non-cash activities		
Convertible preferred shares issued for business combination	289,024	42,100

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4. PREPAYMENTS AND OTHER RECEIVABLES

	As of December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Prepayments:			
- Prepayments to CRO vendors	5,232	71,894	10,473
- Prepayments for other services	2,553	3,160	460
Value-added tax recoverable	3,073	4,235	617
Rental deposits	747	1,012	147
Interest receivables	704	1,502	219
Others	324	7,169	1,046
	12,633	88,972	12,962

5. OTHER FINANCIAL ASSETS

	As of December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Financial asset at fair value through profit or loss	266,245	215,571	31,401
Note receivables	—	40,387	5,883
	266,245	255,958	37,284

The Group placed the principal amount for short-term investments through a contractual arrangement with a third party for the period from June 30, 2017 to June 30, 2020 (“Principal Amount”). The Principal Amount can be redeemed from the third party at the discretion of the Group from time to time whereby the Group is expecting to earn an income on the Principal Amount with an average yield in the range from 4.50% to 5.25% per annum. The Group initially records these assets at cost, which approximates its fair value at inception and subsequently records these assets at fair value. Changes in the fair value are reflected in the consolidated statements of comprehensive loss.

Subsequent to December 31, 2018, the Group entered into an agreement with the relevant party involved for early termination of the contractual arrangement with effect from June 22, 2019 (“Termination Agreement”). Pursuant to the Termination Agreement, the Group shall receive cash with an amount of RMB95,056 and commercial bills with a total face value of RMB160,944 (including those commercial bills redeemed during the year ended December 31, 2018 with a face value of RMB40,387). No material gain or loss was arising from such termination.

Up to the issuance of these consolidated financial statements, cash of RMB80,000 was received and an amount of RMB85,374 cash was received upon the maturities of certain commercial bills.

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6. PROPERTY, EQUIPMENT AND SOFTWARE

Property, equipment and software consist of the following:

	As of December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Cost			
Laboratory equipment	15,592	20,796	3,029
Leasehold improvement	7,084	10,271	1,496
Software	889	3,632	529
Office furniture and equipment	421	1,350	197
Total property, equipment and software	23,986	36,049	5,251
Less: accumulated depreciation and amortization	(1,650)	(8,390)	(1,222)
Net book value	22,336	27,659	4,029

The total amounts charged to the consolidated statements of comprehensive loss for depreciation and amortization expenses amounted to approximately RMB1,634 and RMB6,740 for the years ended December 31, 2017 and 2018, respectively.

7. INTANGIBLE ASSETS

Intangible assets as of December 31, 2017 and 2018 are summarized as follows:

	As of December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Cost			
IPR&D	148,844	148,844	21,682
Less: accumulated amortization	—	—	—
Net book value	148,844	148,844	21,682

IPR&D represents the fair value assigned to research and development assets that we acquired from business combination of Tasgen Group in 2017 and had not reached technological feasibility at the date of acquisition. Upon commercialization, the Group will determine the estimated useful life and amortize these amounts based upon an economic consumption method.

8. GOODWILL

The goodwill of RMB162,574 (US$23,682) as of December 31, 2017 and 2018 represented the goodwill generated from the acquisition of Tasgen Group in 2017 (Note 3). The business of Tasgen Group was fully integrated into the Company post acquisition. As of December 31, 2017 and 2018, the Group performed a qualitative assessment by evaluating relevant events and circumstances that would affect the Group's single reporting unit and did not note any indicator that it is more likely than not that the fair value of the Group's reporting unit is less than its carrying amount, and therefore the Group's goodwill was not impaired.

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9. SHORT-TERM BORROWINGS

In the third quarter of 2017, I-Mab Biopharma Co., Ltd. borrowed loans with the total amount of RMB99,000 from China Merchant Bank Co., Ltd. for a term of one year and at the interest rate of 4.79% per annum. To facilitate the borrowings, another subsidiary of the Company in Hong Kong placed cash deposits of US$16,015 (equivalent to approximately RMB104,783) with the bank. The use of such cash deposits and the interest earned thereon are restricted by the bank during the period of the borrowings. The deposits have a one-year term and bear interest at 2.00% per annum. The borrowings were fully repaid in 2018.

In July 2018, I-Mab Bio-tech (Tianjin) Co., Ltd. borrowed a loan of RMB80,000 from China Merchant Bank Co., Ltd. for a term of one year and at the interest rate of 4.20% per annum. To facilitate these borrowing, another subsidiary of the Company in Hong Kong placed cash deposits of US$13,500 (equivalent to approximately RMB92,653) with the bank. The use of such cash deposits and the interest earned thereon are restricted by the bank during the period of the borrowing. The deposits have a one-year term and bear interest at 3.26% per annum. The borrowing was fully repaid in 2019.

10. ACCRUALS AND OTHER PAYABLES

	As of December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Staff salaries and welfare payables	3,164	18,869	2,749
Accrued external research and development activities related expenses	3,798	39,068	5,691
Payables for purchase of equipment	2,346	—	—
Interest payables	130	—	—
Accrued travelling expenses, office expenses and others	5,071	9,737	1,418
	14,509	67,674	9,858

11. INCOME TAXES

Cayman Islands

I-Mab is incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, I-Mab is not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

I-Mab Biopharma Hong Kong Limited is incorporated in Hong Kong. Companies registered in Hong Kong are subject to Hong Kong profits tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with the relevant Hong Kong tax laws. The applicable tax rate in Hong Kong is 16.5%. For the years ended December 31, 2017 and 2018, I-Mab Biopharma Hong Kong Limited did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earnings in Hong Kong for any of the periods presented. Under the Hong Kong tax law, I-Mab Biopharma Hong Kong Limited is exempted from income tax on its foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

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11. INCOME TAXES (CONTINUED)

Australia

I-Mab Biopharma Australia Pty Ltd is incorporated in Australia. Companies registered in Australia are subject to Australia profits tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with the relevant Australia tax laws. The applicable tax rate in Australia is 30%. I-Mab Biopharma Australia Pty Ltd has no taxable income for all periods presented, therefore, no provision for income taxes is required.

United States

I-Mab Biopharma US Ltd. is incorporated in U.S. and is subject to U.S. federal corporate income tax at a rate of 21%. I-Mab Biopharma US Ltd. is also subject to state income tax in Maryland of 8.25%. I-Mab Biopharma US Ltd. has no taxable income for all periods presented, therefore, no provision for income taxes is required.

China

On March 16, 2007, the National People's Congress of PRC enacted a new Enterprise Income Tax Law ("new EIT law"), under which Foreign Investment Enterprises ("FIEs") and domestic companies would be subject to corporate income tax at a uniform rate of 25%. The new EIT law became effective on January 1, 2008. Under the new EIT law, preferential tax treatments will continue to be granted to entities which conduct businesses in certain encouraged sectors and to entities otherwise classified as "High and New Technology Enterprises".

I-Mab Shanghai has been qualified as "High and New Technology Enterprise" and enjoys a preferential income tax rate of 15% from 2018 to 2020.

The Company's other PRC subsidiaries are subject to the statutory income tax rate of 25%.

No provision for income taxes has been made because the Group and all of its subsidiaries are in cumulative loss positions for all the periods presented.

Reconciliations of the differences between the PRC statutory income tax rate and the Group's effective income tax rate for the years ended December 31, 2017 and 2018 are as follows:

	Year Ended December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Loss before income tax	(298,240)	(401,111)	(58,428)
Income tax computed at respective applicable tax rate	(37,672)	(56,093)	(8,171)
Non-deductible expenses	3,889	2,548	371
Research and development expenses plus deduction	(2,846)	(6,762)	(985)
Changes in valuation allowance	36,629	62,029	9,036
	—	1,722	251
Effect of tax holidays entitled by the PRC subsidiaries on basic loss per share	—	3.07	0.45

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11. INCOME TAXES (CONTINUED)

The principal components of the deferred tax assets and liabilities are as follows:

	Year Ended December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Deferred tax assets:			
Net operating loss carryforward	73,105	92,185	13,428
Depreciation and amortization of property, equipment and software, net	—	18,405	2,681
Accrual expenses	13,647	21,132	3,078
Less: valuation allowance	(49,541)	(94,511)	(13,767)
Total deferred tax assets	37,211	37,211	5,420
Deferred tax liabilities:			
Acquired intangible assets	37,211	37,211	5,420
Total deferred tax liabilities	37,211	37,211	5,420
Deferred tax assets, net	—	—	—

Movement of the valuation allowance is as follows:

	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Balance as of January 1	(6,472)	(49,541)	(7,216)
Business combination (Note 3)	(6,440)	—	—
Additions	(36,629)	(62,029)	(9,036)
Decrease due to the change of tax rate	—	17,059	2,485
Balance as of December 31	(49,541)	(94,511)	(13,767)

As of December 31 2018, the Group had net operating losses of approximately RMB462,148 which arose from the subsidiaries established in the PRC. The tax losses carried forward in the PRC will expire during the period from 2019 to 2023.

A valuation allowance is provided to reduce the amount of deferred tax assets if it is considered more likely than not that some portion or all of the deferred tax assets will not be realized in the foreseeable future. In making such determination, the Group evaluates a variety of positive and negative factors including the Group's operating history, accumulated deficit, the existence of taxable temporary differences and reversal periods.

The Group has incurred net accumulated operating losses for income tax purposes since its inception. The Group believes that it is more likely than not that these net accumulated operating losses will not be utilized in the future. Therefore, the Group has provided full valuation allowances for the deferred tax assets as of December 31, 2017 and 2018.

The Group evaluates each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measure the unrecognized benefits associated with the tax positions. As of December 31, 2017 and 2018, the Group did not have any significant unrecognized uncertain tax positions.

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12. ORDINARY SHARES

As of December 31, 2017 and 2018, 500,000,000 ordinary shares had been authorized by the Company. Each ordinary share is entitled to one vote. The holders of ordinary shares are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors of the Company.

13. CONVERTIBLE PREFERRED SHARES

On October 18, 2016, the Company issued 5,141,587 shares of Series A-1 and A-2 Preferred Shares with a consideration of US$11,282 (equivalent to approximately RMB74,742). In connection with the Series A-1 and A-2 Preferred Shares issuance, the Company also issued 2,246,744 warrant to purchase its Series A-3 Preferred Shares (Series A-3 Warrants and see Note 15).

On September 6, 2017, in connection with the Group's acquisition of Tasgen Group (see Note 3), the Company issued 16,723,646 shares of series A-3 Preferred Shares at a price of US$2.55 per share with a total consideration of US$42,645 (equivalent to approximately RMB289,024).

Series A-1 Preferred Shares, Series A-2 Preferred Shares and Series A-3 Preferred Shares are also referred to as Series A Preferred Shares.

On September 22, 2017, the Company issued 15,894,594 shares of Series B Preferred Shares with a consideration of US$52,546 (equivalent to approximately RMB346,515). In connection with the Series B Preferred Shares issuance, the Company also issued convertible promissory notes that are convertible into Series B-1 Preferred Shares (2017 Notes and see Notes 14) and 5,633,780 warrants to purchase its Series B-2 Preferred Shares ("Series B Warrant" and see Note 15).

Concurrently with the Company's issuance of Series B Preferred Shares, the Company also completed a round of onshore financing with respect to the Group's subsidiary I-MAB Tianjin ("Series B Onshore Financing"). Series B Onshore Financing comprised 1) capital injection to I-Mab Tianjin by a number of investors ("Series B Onshore Investors") (see Note 14), 2) I-Mab Tianjin's issuance of convertible loans ("Onshore Convertible Loans" and see Note 14), and 3) the Company's issuance of 2,620,842 warrants to purchase its Series B-2 Preferred Shares ("Series B Warrants" and see Note 15).

On June 29, 2018, the Company issued total 8,361,823 shares of Series A-3 Preferred Shares upon exercise of Series A-3 Option held by its holder.

On June 29, 2018, the Company issued 2,535,201 shares of Series B-1 Preferred Shares upon conversion of 2017 Notes and issued 2,253,512 shares of Series B-2 Preferred Shares upon exercise of Series B Warrant by Series B preferred shareholders.

On June 29, 2018, the Company issued total 5,938,640 share of Series B-1 Preferred Shares upon exercise of Series B Option held by a Series B Onshore Investor and issued 947,218 shares of Series B-1 Preferred Shares upon conversion of Onshore Convertible Loans by a Series B Onshore Investor (see Note 14), respectively.

On July 6, 2018, the Company issued 1,455,549 shares of Series B-1 Preferred Shares upon exercise of Series B Option held by a Series B Option Investor, issued 232,161 shares of Series B-1 Preferred Shares upon conversion of Onshore Convertible Loans by a Series B Onshore Investor (see Note 14) and issued 1,048,337 shares of Series B-2 Preferred Shares upon exercise of Series B Warrant by Series B Onshore Investors, respectively.

Series B Preferred Shares, Series B-1 Preferred Shares and Series B-2 Preferred Shares are also referred to as Series B Preferred Shares.

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13. CONVERTIBLE PREFERRED SHARES (CONTINUED)

On July 6, 2018, the Company issued 31,046,360 shares of Series C Preferred Shares at a price of US$6.4419 per share with a total consideration of US$200,000 (equivalent to approximately RMB1,323,363). In connection with the offering of the Series C Preferred Shares, the Company incurred issuance costs of RMB16,730.

Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares are collectively referred to as Preferred Shares.

Key terms of the Preferred Shares are summarized as follows:

Dividends

The holders of Preferred Shares are entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend on the ordinary shares or any other class or series of shares of the Group at the rate of eight percent (8%) of the original issue price per share per annum on each Preferred Share, payable in US$ and annually when, as and if declared by the Board. Such distributions shall not be cumulative. No dividend, whether in cash, in property or in shares of the capital of the Group, shall be paid on or declared and set aside for any ordinary shares or any other class or series of shares of the Group unless and until all dividends have been paid in full on the Preferred Shares (on an as-converted basis).

Conversion

Each Preferred Share may be converted at any time into ordinary shares at the option of the preferred shares holders at the then applicable conversion price. The initial conversion ratio is 1:1, subject to adjustment in the event of (i) share splits, share combinations, share dividends or distribution, other dividends, recapitalizations and similar events, or (ii) issuance of ordinary shares (excluding certain events such as issuance of ordinary shares pursuant to a public offering) at a price per share less than the conversion price in effect on the date of or immediately prior to such issuance.

The Preferred Shares shall be automatically converted into ordinary shares immediately upon the closing of a public offering of the Company’s shares with an offering price (exclusive of underwriting commissions and expenses) that reflects a market capitalization (immediately prior to the public offering) of not less than US$1,000,000,000 (the “Qualified Public Offering”).

The Group determined that there were no beneficial conversion features (“BCF”) identified for any of the Preferred Shares during any of the periods. In making this determination, the Company compared the fair value of the ordinary shares into which the Preferred Shares are convertible with the respective effective conversion price at the issuance date. In all instances, the effective conversion price was greater than the fair value of the ordinary shares. To the extent a conversion price adjustment occurs, as described above, the Group will revaluate whether or not a beneficial conversion feature should be recognized.

Liquidation

In the event of any liquidation (unless waived by the preferred shareholders) including deemed liquidation, dissolution or winding up of the Company, holders of the Preferred Shares shall be entitled to receive a per share amount equal to one hundred percent (100%) of the original issue price on each Preferred Share, plus an amount

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13. CONVERTIBLE PREFERRED SHARES (CONTINUED)

representing an internal rate of return of twelve percent (12%) per annum on the original issue price as adjusted for share dividends, share splits, combinations, recapitalizations or similar events, plus all accrued and declared but unpaid dividends thereon, in the sequence of Series C Preferred Shares, Series B Preferred Shares and Series A Preferred Shares. After such liquidation amounts have been paid in full, any remaining funds or assets of the Company legally available for distribution to shareholders shall be distributed on a pro rata basis among the holders of the Preferred Shares, on an as-converted basis, together with the holders of the ordinary shares.

Accounting of preferred shares

The Preferred Shares are redeemable by the holders upon a liquidation event, including a deemed liquidation event (e.g., change in control), and as such are presented as mezzanine equity on the consolidated balance sheets. In accordance with ASC 480-10-S99, each issuance of the convertible preferred shares should be recognized at the date of issuance after deducting fair value allocated to the detachable warrants and issuance costs.

The Company assesses whether an amendment to the terms of its convertible preferred shares is an extinguishment or a modification using the fair value model. When convertible preferred shares are extinguished, the difference between the fair value of the consideration transferred to the convertible preferred shareholders and the carrying amount of the convertible preferred shares (net of issuance costs) is treated as deemed dividends to the preferred shareholders. The Company considers that a significant change in fair value after the change of the terms to be substantive and thus triggers extinguishment. A change in fair value which is not significant immediately after the change of the terms is considered non-substantive and thus is subject to modification accounting.

The Company's convertible preferred shares activities for the years ended December 31, 2017 and 2018 are summarized below:

	Series A Preferred Shares			Series B Preferred Shares			Series C Preferred Shares		
	Number of shares	Amount US$	Amount RMB	Number of shares	Amount US$	Amount RMB	Number of shares	Amount US$	Amount RMB
Balance as of January 1, 2017	5,141,587	11,282	74,742	—	—	—	—	—	—
Issuance of Series A Preferred Shares	16,723,646	42,645	289,024	—	—	—	—	—	—
Issuance of Series B Preferred Shares	—	—	—	15,894,594	52,546	346,515	—	—	—
Balance as of December 31, 2017	21,865,233	53,927	363,766	15,894,594	52,546	346,515	—	—	—
Issuance of Series A Preferred Shares upon exercise of Series A-3 Option	8,361,823	48,925	323,716	—	—	—	—	—	—
Issuance of Series B Preferred Shares upon exercise of Series B Option	—	—	—	7,394,189	44,083	291,677	—	—	—

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13. CONVERTIBLE PREFERRED SHARES (CONTINUED)

Accounting of preferred shares (continued)

	Series A Preferred Shares			Series B Preferred Shares			Series C Preferred Shares		
	Number of shares	Amount US$	Amount RMB	Number of shares	Amount US$	Amount RMB	Number of shares	Amount US$	Amount RMB
Issuance of Series B Preferred Shares upon conversion of 2017 Notes	—	—	—	2,535,201	15,401	101,906	—	—	—
Issuance of Series B Preferred Shares upon conversion of Onshore Convertible Loans	—	—	—	1,179,379	7,165	47,407	—	—	—
Issuance of Series B Preferred Shares upon exercise of Tranche I of Series B Warrants	—	—	—	3,301,849	20,212	133,738	—	—	—
Issuance of Series C Preferred Shares, net of issuance costs	—	—	—	—	—	—	31,046,360	197,478	1,306,633
Balance as of December 31, 2018	30,227,056	102,852	687,482	30,305,212	139,407	921,243	31,046,360	197,478	1,306,633

14. CONVERTIBLE PROMISSORY NOTES AND ONSHORE CONVERTIBLE LOANS

2017 Notes

On September 25, 2017, the Company issued US$11,520 convertible promissory notes (“2017 Notes”) to investors of Series B Preferred Shares (see Note 13) at a compound interest rate of 8% per annum, maturing on 36 months after the issuance date. Under the agreement, the holder of the 2017 Notes may convert the outstanding principal amount into Series B-1 Preferred Shares at the conversion price of US$5.38 per share or a lower price as may be agreed by the investors and the Company at any time from six months prior to the maturity date and prior to the repayment in full of the 2017 Note. No interest shall be accrued if the 2017 Notes have been converted into Series B-1 Preferred Shares.

As the fair value of the Company’s ordinary shares on September 25, 2017 was lower than the effective conversion price of US$5.38, the Company did not record a BCF.

On June 29, 2018, the Company’s 2017 Notes were converted into the Company’s 2,535,201 Series B-1 Preferred Shares at the nominal conversion price of US$5.38 per share.

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14. CONVERTIBLE PROMISSORY NOTES AND ONSHORE CONVERTIBLE LOANS (CONTINUED)

2018 Notes

On February 3, 2018, the Company issued US$9,000 (equivalent to approximately RMB59,704) convertible promissory notes ("2018 Notes") to an investor of Series A-3 Preferred Shares at an annual interest rate of 0%, maturing on 36 months after the issuance date. Under the agreement, the holder of the 2018 Notes may convert the 2018 Notes outstanding principal amount into Sereis B-1 Preferred Shares at the conversion price being lower of US$10 per share and fair market value at any time prior to the maturity date. Alternatively, the 2018 Notes shall be automatically converted into the Company's Series B Preferred Shares upon the maturity. As the fair value of the Company's ordinary shares on February 3, 2018 of US$3.96 was equal to the effective conversion price (being lower of US$10 per share and fair market value), the Company did not record a BCF.

Onshore Convertible Loans

On September 25, 2017, I-Mab Tianjin issued US$5,359 convertible loans to Series B Onshore Investors at a compound interest rate of 8% per annum, maturing on 36 months after the issuance date. Under the agreement, the holder of the Onshore Convertible Loans may convert the outstanding principal amount into I-Mab Tianjin's equity interest a stipulated conversion price at any time from 6 months prior to the maturity date and prior to the repayment in full of the Onshore Convertible Loans. No interest shall be accrued if the Onshore Convertible Loans have been converted into I-Mab Tianjin's equity interest. As the fair value of the I-Mab Tianjin's ordinary shares on September 25, 2017 was lower than the effective conversion price of US$4.31, the Company did not record a BCF.

In June and July 2018, the Company reached agreements with holders of Onshore Convertible Loans and the principal amount of Onshore Convertible Loans were then effectively converted into 1,179,379 Series B-1 Preferred Shares of the Company and the accrued interests were waived, resulting in an extinguishment loss of RMB8,548.

15. WARRANTS

In connection with the issuance of the Series A-1 and A-2 Preferred Shares on October 18, 2016, 2,246,744 Series A-3 Warrants were issued to Series A-1 and A-2 preferred shareholder, which provided the holder the right to purchase Series A-3 Preferred Shares. The Series A-3 Warrants were later terminated on September 6, 2017 without being exercised.

In connection with the issuance of the Series B Preferred Shares on September 22, 2017, 5,633,780 Series B Warrants were issued to Series B preferred shareholders, which provided the holders the right to purchase Series B-2 Preferred Shares.

In connection with the Company's Series B Onshore Financing that took place on September 25, 2017, 2,620,842 Series B Warrants were issued to Series B Onshore Investors, which provided the holders the right to purchase Series B-2 Preferred Shares.

During the period from June 29, 2018 to July 6, 2018, 3,301,849 Series B Warrants (representing Tranche I of Series B Warrants) were exercised to purchase 3,301,849 Series B-2 Preferred Shares with proceeds of US$20,000 (equivalent to approximately RMB132,332).

On July 6, 2018, the Series B Warrants holders agreed that the Series B Warrants shall be divided into two tranches and exercisable in accordance with different time schedules, such that: (i) the holders have exercised

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15. WARRANTS (CONTINUED)

part of the Series B Warrants in the total consideration of US$20,000 ("Tranche I of Series B Warrants") and 3,301,849 Series B-2 Preferred Shares of the Company in aggregate have been newly issued to such holders on a pro rata basis; (ii) only when the Company fails to submit a Qualified Public Offering application at an internationally recognized securities exchange by March 31, 2019, the Warrant Holders may exercise the remaining part of Series B Warrants, in the total consideration of US$30,000 ("Tranche II of Series B Warrants") and 4,952,773 Series B-2 Preferred Shares of the Company in aggregate will be issued to such holders on a pro rata basis; (iii) provided that the Company successfully submits a Qualified Public Offering application at an internationally recognized securities exchange by March 31, 2019, the holders shall unconditionally and irrevocably waive and cancel Tranche II of Series B Warrants; and (iv) the Tranche II of Series B Warrants may only be concurrently exercised by all the Warrant Holders in one lump. This is considered to be a modification to Series B Warrants.

According to the confirmations issued by the Company's Series B Warrants holders in July 2019, the holders of Series B Warrants has unconditionally and irrevocably waived and cancelled the Tranche II of Series B Warrants.

Accounting of warrants

The warrant is a freestanding instrument and is recorded as liability in accordance with ASC 480, *Distinguishing Liabilities from Equity*.

As the Company's issuance of warrants were bundled with other instruments (such as convertible preferred shares, convertible promissory notes, etc.), out of total considerations, the warrants are initially recognized at fair value and the remaining were allocated to other instruments on a relative fair value basis (if applicable). The fair value changes of the warrants (including the fair value changes arising from modification of warrants) up to the time of exercise or termination were recognized in earnings. Upon exercise, the total carrying value of the associated warrant liabilities was reclassified into the carrying value of the Preferred Shares into which it was converted.

The Company determined the fair value of the warrants with the assistance of an independent third party valuation firm.

The Group has measured the warrant liabilities at fair values on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2017 and 2018. The Group used the binomial model to estimate the fair value of warrant liabilities using the following assumptions:

	As of December 31,	
	2017	2018
Risk-free rate of return	1.84%	2.49%
Maturity date	September 25, 2019	September 25, 2019
Estimated volatility rate	49.3%	50.9%
Exercise price	US$6.06	US$6.06
Fair value of underlying convertible preferred shares	US$5.42	US$6.91

The model requires the input of highly subjective assumptions including the risk-free rate of return, maturity date, estimated volatility rate and fair value of underlying preferred shares. The risk-free rate for periods within

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15. WARRANTS (CONTINUED)

Accounting of warrants (continued)

the contractual life is based on the US treasury strip bond with maturity similar to the maturity of the warrants as of valuation dates plus a China country risk premium. For expected volatilities, the Group has made reference to the historical daily stock prices volatilities of ordinary shares of several comparable companies in the same industry as the Group. The estimated fair value of the preferred shares was determined with assistance from an independent third party valuation firm. The Group's management is ultimately responsible for the determination of the estimated fair value of its preferred shares.

The significant unobservable inputs used in the fair value measurement of the warrant liabilities include risk-free rate of return, interval between valuation date and maturity date, estimated volatility rate and fair value of underlying preferred shares. Significant decreases in interval between valuation date and maturity date, estimated volatility rate and fair value of underlying preferred shares would result in a significantly lower fair value measurement. Significant increases in risk-free rate of return would result in a significantly lower fair value measurement.

16. REDEEMABLE NON-CONTROLLING INTERESTS

In connection with the Company's acquisition of Tasgen Group (see Note 3), on September 6, 2017, the Company also entered into an option agreement with the third party investor of I-Mab Tianjin, pursuant to which the Company granted the third party investor an option to subscribe for certain number of Series A-3 Preferred Shares of the Company at a price that stipulated in the agreement, and at the same time, the third party investor shall transfer its equity interests in I-Mab Tianjian to the Company at the same price ("Series A-3 Option"). This Series A-3 can be exercised at any time at the holder's own discretion or upon the request of the Company if the shareholders of the Company approves an initial public offering. In addition, in the event that the exercise of Series A-3 Option has not been completed within 6 months after the option holder delivers the share purchase option notice, the Company shall purchase the third party investor's equity interest in I-Mab Tianjian and the Series A-3 Option at a price that stipulated in the agreement.

Concurrently with the Company's issuance of Series B Preferred Shares (see Note 13), on September 25, 2017, the Group's subsidiary I-MAB Tianjin entered into a capital increase subscription agreement with Series B Onshore Investors, pursuant to which Series B Onshore Investors subscribed for additional equity in I-MAB Tianjin of US$24,444 (equivalent to approximately RMB161,196). On September 25, 2017 and in tandem with the aforementioned I-Mab Tianjin's capital increase subscription agreement, the Company also entered into option agreements with Series B Onshore Investors, pursuant to which the Company granted Series B Onshore Investors options to subscribe for certain numbers of Series B-1 Preferred Shares of the Company at a price that stipulated in the agreements, and at the same time, the Series B Onshore Investors shall transfer their equity interests in I-Mab Tianjian to the Company at the same price ("Series B Option"). The Series B Option can be exercised at any time at the holders' own discretion or upon the request of the Company if the shareholders of the Company approve an initial public offering. In addition, in the event that the exercise of Series B Option has not been completed within 6 months after the option holders deliver the share purchase option notice, the Company shall purchase the third party investor's equity interest in I-Mab Tianjian and the Series B Option at a price that stipulated in the agreements.

Based on the accounting assessments, the Company considers that the aforementioned Series A-3 and Series B Options are embedded features of the non-controlling interests that are not required to be bifurcated. Since the

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16. REDEEMABLE NON-CONTROLLING INTERESTS (CONTINUED)

aforementioned non-controlling interests in I-Mab Tianjin are redeemable at a determinable price, upon occurrence of an event that is not solely within the control of I-Mab Tianjian, the aforementioned non-controlling interests in I-Mab Tianjin are accounted for as redeemable non-controlling interests in the Group's consolidated balance sheets. Subsequently, the redeemable non-controlling interests should be carried at the higher of (1) the carrying amount after the attribution of net income of the Company and (2) the expected redemption value.

The Series A-3 Option and Series B Option were exercised by respective holders on June 29, 2018 and July 6, 2018 to acquire 8,361,823 Series A-3 Preferred Shares and 7,394,189 Series B Preferred Shares, respectively. The transactions were accounted for as equity transactions, and the differences between the carrying amount of redeemable non-controlling interests of RMB305,708 and the fair value of convertible preferred shares of RMB615,393 that issued were recognized in additional paid-in capital.

The Group's redeemable non-controlling interest activities for the years ended December 31, 2017 and 2018 are summarized as follows:

	Year Ended December 31		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Beginning balance	—	305,708	44,531
Capital injection by Series B Onshore Investors	161,196	—	—
Redeemable non-controlling interests arising from business combination (Note 3)	144,512	—	—
Exercise of Series A-3 Option	—	(144,512)	(21,051)
Exercise of Series B Option	—	(161,196)	(23,480)
Ending balance	305,708	—	—

17. SHARE-BASED COMPENSATION

(a) Restricted shares

During the year ended December 31, 2016, the Company issued 4,019,554 ordinary shares to Mr. Zang Jingwu Zhang, Ms. Qian Lili, Mr. Wang Zhengyi and Mr. Fang Lei (collectively the "Founders"), including the 369,301 shares which represented the equity interests of Third Venture held by the Founders, and the Company recorded share-based compensation expense of RMB18.7 million for issuance and grant of 3,650,253 ordinary shares to the Founders in June 2016.

In October 2016, the Founders entered into an arrangement with other investors of the Company, and the 87,441 ordinary shares issued to the Founders in June 2016 were canceled and out of the remaining 3,932,113 ordinary shares held by the Founders, 70% became restricted and subject to service vesting conditions, that shall vest 20%, 20% and 30% over the next three years, respectively. There shall be no acceleration of the vesting schedule except that, in case of a change of control of the Company or a Qualified Public Offering, or the termination of the Founder's employment with the Group without cause.

Deferred share-based compensation was measured for the restricted shares using the estimated fair value of the Company's ordinary shares of US$0.77 at the date of imposition of the restriction in October 2016, and was amortized to the consolidated statements of comprehensive loss by using graded vesting method over the vesting term of 3 years.

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17. SHARE-BASED COMPENSATION (CONTINUED)

(a) Restricted shares (continued)

The following table summarizes the Group's Founders' restricted shares activities:

	Numbers of shares	Weighted-average grant date fair value
Outstanding at December 31, 2016	2,752,479	0.77
Vested	(786,423)	
Outstanding at December 31, 2017	1,966,056	0.77
Vested	(786,423)	
Outstanding at December 31, 2018	1,179,633	0.77

The amounts of shared-based compensation expense in relation to the restricted shares recognized in the years ended December 31, 2017 and 2018 were RMB7,039 and RMB3,520, respectively.

Shared-based compensation expenses related to restricted shares were included in:

	Year Ended December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Research and development expenses	2,112	1,056	154
Administrative expenses	4,927	2,464	359
	7,039	3,520	513

(b) 2017 Employee Stock Option Plan ("2017 Plan")

In October 2017, the Company adopted the 2017 Plan. Under the 2017 Plan, a maximum aggregate number of 13,376,865 shares that may be issued pursuant to all awards granted were approved. Stock options granted to an employee under the 2017 Plan will be exercisable upon the Company completes a listing and the employee renders service to the Company in accordance with a stipulated service schedule starting from the employee's date of employment. Employees are generally subject to a three-year service schedule, under which an employee earns an entitlement to vest in 50% of the option grants on the second anniversary of the grant date, a vesting of the remaining 50% on the third anniversary of the applicable grant date. The stock option under 2017 Plan, to the extent then vested, shall become exercisable only upon the earlier of (i) a listing, and (ii) occurrence of a change in control.

Prior to the Company completes a listing, all stock options granted to an employee shall be forfeited at the time the employee terminates his employment with the Group. After the Company completes a listing, vested options not exercised by an employee shall be exercised until later of: (i) 90 days after the date when the options become exercisable, or (ii) 30 days after the date of cessation of employment or directorship, or such longer period as the Board of Directors may otherwise determine.

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17. SHARE-BASED COMPENSATION (CONTINUED)

(b) 2017 Employee Stock Option Plan ("2017 Plan") (continued)

The Group granted 10,646,783 and 1,470,000 stock options to employees, all with an exercise price of US$1, for the years ended December 31, 2017 and 2018, respectively. No options are exercisable as of December 31, 2017 and 2018 and prior to the Group completes a listing.

The following table sets forth the stock options activities for the years ended December 31, 2017 and 2018:

	Number of shares	Weighted average exercise price US$	Weighted average remaining contractual term	Aggregate intrinsic value US$
Outstanding as of December 31, 2016	—	—	—	—
Granted	11,051,230	1.00	—	—
Other addition (note)	710,366	1.00	—	—
Outstanding as of December 31, 2017	11,761,596	1.00	8.50	4,890
Granted	1,470,000	1.00	—	—
Forfeited	(226,000)	1.00	—	—
Outstanding as of December 31, 2018	13,005,596	1.00	8.61	10,129
Exercisable as of December 31, 2018	—	—	—	—

note: Other addition represented the modified share options that originally granted to two senior management employees in October 2016 (see (c) Other share-based compensation)

Stock options granted to the employees were measured at fair value on the dates of grant using the Binomial Option Pricing Model with the following assumptions:

	Year ended December 31,	
	2017	2018
Expected volatility	62.34%	61.32%-62.13%
Risk-free interest rate (per annum)	2.32%	2.81%-3.06%
Exercise multiple	2.8	2.8
Expected dividend yield	—	—
Contractual term (in years)	10	10

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Group's options. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US$ for a term consistent with the expected term of the Group's options in effect at the option valuation date. The expected exercise multiple was estimated as the average ratio of the stock price to the exercise price when employees would decide to voluntarily exercise their vested options. As the Group did not have sufficient information of past employee exercise history, it was estimated by referencing to a widely-accepted academic research publication. Expected dividend yield is zero as the Group has never declared or paid any cash dividends on its shares, and the Group does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the option.

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17. SHARE-BASED COMPENSATION (CONTINUED)

(b) 2017 Employee Stock Option Plan ("2017 Plan") (continued)

The fair value of stock options granted to employees for the years ended December 31, 2017 and 2018 amounted to RMB99.0 million and RMB45.2 million, respectively. Since the exercisability is dependent upon the listing, and it is not probable that this performance condition can be achieved until a listing, no share-based compensation expense relating to the 2017 Plan was recorded for the years ended December 31, 2017 and 2018. The Group will recognize compensation expenses relating to options vested cumulatively upon the completion of the Company's listing.

(c) Other share-based compensation

For the year ended December 31, 2016, the Group recorded share-based compensation expense of RMB3.3 million for issuance and grant of 710,366 stock options to two senior management employees in October 2016, as rewards for their services they had performed in the past and in exchange for their full-time devotion and professional expertise. Stock options granted to the two employees were exercisable once granted, with an exercise price of US$0.06.

In October 2017, in connection with the adoption of 2017 Plan, the Group amended the stock option agreement with the two aforementioned employees, under which the stock options would become exercisable only upon the earlier of (i) a listing, and (ii) occurrence of a change in control that defined in the stock option agreements. As the modification of terms and conditions of share-based compensation were not beneficial to its employees, no further accounting impact was resulting from it.

18. LICENSING AND COLLABORATION ARRANGEMENTS

The following is a description of the Group's significant licensing and collaboration agreements entered into for the years ended December 31, 2017 and 2018.

A. In-Licensing Arrangements

Licensing Agreement with MorphoSys AG ("MorphoSys")

In November 2017, the Group entered into a license and collaboration agreement with MorphoSys, with respect to the development and commercialization of MOR202/TJ202, MorphoSys´s proprietary investigational antibody against CD38 (the "CD38 product").

Under this agreement, MorphoSys granted to the Group an exclusive, royalty-bearing, sublicensable license to exploit MOR202/TJ202 for any human therapeutic or diagnostic purpose in the licensed territory, namely mainland China, Hong Kong, Macau and Taiwan (collectively "Greater China").

Pursuant to this agreement, the Group granted to MorphoSys an exclusive license to its rights in any inventions that the Group make while exploiting the CD38 product under this agreement, solely to exploit the CD38 product outside of Greater China.

Pursuant to this agreement, the Group paid to MorphoSys an upfront license fee of US$20.0 million (equivalent to approximately RMB132.7 million). The Group also agreed to make milestone payments to MorphoSys,

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18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

A. In-Licensing Arrangements (continued)

conditioned upon the achievement of certain development, regulatory and commercial milestones, in the aggregate amount of US$98.5 million (equivalent to approximately RMB653.5 million). Such milestones include first patient dosed in human clinical trials, marketing approval, and first annual net sales of CD38 products covered by the agreement in excess of a certain amount.

In addition, the Group is required to pay tiered low-double-digit royalties to MorphoSys on a country-by-country and product-by-product basis during the term, commencing with the first commercial sale of a relevant licensed product in Greater China. Unless terminated earlier in accordance with the terms thereof, this agreement will remain in effect until the expiration of the Group's last payment obligation under the agreement.

For the year ended December 31, 2017, the Group paid a US$20.0 million (equivalent to approximately RMB132.7 million) upfront fee to MorphoSys, which was recorded as research and development expense in the consolidated statements of comprehensive loss. Due to the uncertainty involved in meeting these development and commercialization based targets, the Group evaluated and concluded that the remaining milestones are still not probable as of December 31, 2017 and 2018.

Summarized financial information related to the above agreement is presented below:

	Years Ended December 31,				As of December 31,
	Research and Development Expense				
	Upfront Fees	Milestones	Extension/ Termination of agreements	Amortization of prepaid research and development	Intangible asset balance
2018	—	—	—	—	—
2017	US$20,000	—	—	—	—

Licensing Agreement with Genexine, Inc. ("Genexine")

In December 2017, the Group entered into an intellectual property license agreement with Genexine with respect to GX-I7/TJ107, a long-acting IL-7 cytokine. Under this agreement, the Group obtained an exclusive, sublicensable and transferable license to use and otherwise exploit certain intellectual property in connection with the pre-clinical and clinical development, manufacturing, sale and distribution of GX-I7 to treat cancer in Greater China.

Under the terms of the agreement, the Group made an upfront payment of US$12.0 million (equivalent to approximately RMB79.6 million) to Genexine which was recorded as a research and development expense in 2018. The Group also agreed to make milestone payments in the aggregate amount of US$23.0 million (equivalent to approximately RMB152.6 million), conditioned upon the achievement of certain development milestones, including completion of Phase 2 and Phase 3 clinical studies and new drug application ("NDA") or biologic license application ("BLA") approval in Greater China.

Further, the Group agreed to make milestone payments in the aggregate amount of US$525.0 million (equivalent to approximately RMB3,482.7 million), conditioned upon the achievement of certain cumulative net sales of GX-I7 up to US$2,000 million. The Group also is required to pay Genexine a low-single-digit percentage royalty

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18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

A. In-Licensing Arrangements (continued)

in respect of the total annual net sales of GX-I7. The aforesaid milestones and royalties (other than the upfront payment) will be reduced by 50% following the entry of a generic version of GX-I7 in China, Hong Kong, Macau and Taiwan without the consent or authorization of us or any of our sublicensees.

Unless terminated earlier in accordance with the terms thereof, this agreement will remain in effect until the later of (i) the expiry of the last to expire patent of the licensed intellectual property that includes a valid claim for Greater China and that covers the composition of GX-I7; and (ii) 15 years from the date of the first commercial sale of GX-I7.

For the year ended December 31, 2018, the Group paid a US$12.0 million (equivalent to approximately RMB79.6 million) upfront fee to Genexine, which was recorded as research and development expense in the consolidated statements of comprehensive loss. Due to the uncertainty involved in meeting these development and commercialization based targets, the Group evaluated and concluded that the remaining milestones are still not probable as of December 31, 2018.

Summarized financial information related to the above agreement is presented below:

	Years Ended December 31,				As of December 31,
	Research and Development Expense				
	Upfront Fees	Milestones	Extension/ Termination of agreements	Amortization of prepaid research and development	Intangible asset balance
2018	US$12,000	—	—	—	—

Licensing Agreement with MorphoSys

In November 2018, the Group entered into a license and collaboration agreement with MorphoSys for MorphoSys's proprietary antibody (MOR210/TJ210) directed against C5aR (the "C5aR Agreement"). Under this agreement, the Group obtained an exclusive, royalty-bearing license to explore, develop and commercialize certain anti-C5aR antibodies in Greater China and South Korea.

The Group will perform and fund all global development activities related to the development of MOR210/TJ210 in Greater China and South Korea, including all relevant clinical trials (including in the U.S. and China) and all development activities required for IND filing in the US as well as CMC development of manufacturing processes. MorphoSys retains rights in respect of development and commercialization of MOR210/TJ210 in the rest of the world.

Under the terms of the agreement, the Group also agreed to make milestone payments conditioned upon the achievement of certain development milestones and certain annual net sales of anti-C5aR antibodies. The Group is also required to pay to MorphoSys tiered mid-single-digit royalties on annual net sales of anti-C5aR antibody products within the licensed territory.

For the year ended December 31, 2018, the Group paid a US$3.5 million (equivalent to approximately RMB23.2 million) upfront fee to MorphoSys, which was recorded as research and development expense in the consolidated

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18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

A. In-Licensing Arrangements (continued)

statements of comprehensive loss. Due to the uncertainty involved in meeting these development and commercialization based targets, the Group evaluated and concluded that the remaining milestones are still not probable as of December 31, 2018.

Summarized financial information related to the above agreement is presented below:

	Years Ended December 31,				As of December 31,
	Research and Development Expense				
	Upfront Fees	Milestones	Extension/ Termination of agreements	Amortization of prepaid research and development	Intangible asset balance
2018	US$3,500	—	—	—	—

Other In-Licensing Arrangements

In addition to the above arrangements, the Group has entered into other various in-licensing and collaboration agreements with third party licensors to develop and commercialize drug candidates. Based on the terms of these agreements the Group is contingently obligated to make additional material payments upon the achievement of certain contractually defined milestones. The Group made US$0.6 million (equivalent to approximately RMB4.0 million) upfront and US$0.3 million (equivalent to approximately RMB2.0 million) milestone payment under these agreements for the year ended December 31, 2018. Under the terms of the agreements, the licensors are eligible to receive from the Group up to an aggregate of approximately US$164.4 million (equivalent to approximately RMB1,090.6 million) in milestone payments upon the achievement of contractually specified development milestones, such as regulatory approval for the drug candidates, which may be before the Group has commercialized the drug or received any revenue from sales of such drug candidate, which may never occur.

B. Out-Licensing and collaboration Arrangements

Licensing Agreement among HDYM, I-Mab and Hangzhou HealSun Biopharm Co., Ltd. (“HealSun”)

In April 2017, one of the Company’s subsidiaries, I-Mab Shanghai, entered into a technology transfer agreement with HDYM and HealSun with respect to anti-PD-L1 humanized monoclonal antibodies. Under the agreement, I-Mab Shanghai agreed to grant to HDYM exclusive, worldwide and sublicensable rights to develop, manufacture, have manufactured, use, sell, have sold, import, or otherwise exploit certain PD-L1 related patents, patent applications, know-hows, data and information of I-Mab Shanghai, relevant cell lines as well as any anti-PD-L1 monoclonal antibody arising from such cell lines for the treatment of diseases. Further, I-Mab Shanghai and its cooperative party, HealSun agreed to provide subsequent research and development services on such intellectual property to HDYM, including the selection and examination of innovative anti-PD-L1 humanized monoclonal antibodies, cultivation and selection of stable cell lines, establishment of cell bank, research and development of manufacturing processes and preparation of samples, toxicological and pharmacological testing, pre-clinical pharmaceutical experiment report drafting, and application for and registration of clinical trials. HDYM agreed to make milestone payments conditioned upon achieving certain contractually defined milestones.

18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

B. Out-Licensing and collaboration Arrangements (continued)

The Group determined that this collaboration is more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. Under this agreement, due to the early stage nature of the development, the Group determined the license to the intellectual property and research and development services are not distinct and thus were accounted for as a single performance obligation that is satisfied over time. The Group would receive RMB51.0 million (inclusive of VAT) milestone payments under this agreement, and considered that the achievements of milestone II, III, IV are constrained such that the transaction price shall initially only include the milestones payment which have been achieved (that means when uncertainty associated with the variable consideration is subsequently resolved), the additional milestone payment shall be included in the total transaction price when it is no longer probable that a significant reversal of cumulative revenue would occur in future periods.

The Group used a cost-to-cost input method to measure progress as that method best depicts its performance under the agreement. For the year ended December 31, 2017, the Group achieved milestones I and II and received milestone payments totalling of RMB29.0 million (inclusive of VAT). The cumulative percentage complete in the cost-to-cost input method related to this agreement as of December 31, 2017 is estimated to approximate 42%, the Group recognized RMB11.6 million (exclusive of VAT of RMB0.7 million) of revenue in the consolidated statements of comprehensive loss, and RMB15.8 million (exclusive of VAT of RMB0.9 million) were deferred as contract liability related to this arrangement.

For the year ended December 31, 2018, the Group achieved milestones III and IV and received milestone III payment of RMB11.0 million (inclusive of VAT) and recognized as contract assets as of December 31, 2018. As of December 31, 2018, the cumulative percentage complete in the cost-to cost input method related to this arrangement is estimated to approximate 100%. The Group recognized RMB36.5 million (exclusive of VAT of RMB1.3 million) of revenue in the consolidated statements of comprehensive loss for the year ended December 31, 2018.

Collaboration Agreement with Everest Medicines Limited ("Everest")

In January 2018, the Group entered into a collaboration agreement with Everest, which is controlled by the ultimate controlling party of a principal shareholder of the Group. Under the agreement, both parties agreed to collaborate on programs to co-develop MorphoSys' proprietary anti-CD38 antibody for all indications in hematologic oncology and commercialize of MOR202/TJ202 in Greater China.

A joint steering committee with equal representation from each party was established to coordinate and oversee the development and commercialization of the CD38 product. All decisions of the joint steering committee shall be made by unanimous vote.

Under the agreement, the Group is primarily responsible for carrying out the development, manufacture and supply of the CD38 product, as well as seeking regulatory approval of the CD38 product. Everest is primarily responsible for sharing the development costs of the CD38 product, including payments due to MorphoSys under the Licensing Agreement, dated November 30, 2017, in the proportion of 75% by Everest and 25% by the Group.

The joint steering committee will decide which party shall be responsible for conducting the commercialization of the CD38 product pursuant to the commercialization plan approved by the committee. If Everest is selected to

18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

B. Out-Licensing and collaboration Arrangements (continued)

be responsible for commercialization, the Group shall grant an exclusive royalty-free license to Everest to commercialize the CD38 product for all indications in hematologic oncology in Greater China.

The Group and Everest will share the profit and loss and out-license revenue derived from the CD 38 product in proportion to the costs that each party incur in developing the product.

Upon any termination of this arrangement, the terminating party has the right to continue the development and commercialization of CD38 product. If Everest is the rightful terminating party, the Group shall (i) assign the MorphoSys license to Everest (subject to the terms and conditions of such license); (ii) grant to Everest an exclusive license to all intellectual property rights that the Group owns or controls to further develop, manufacture, and commercialize the CD38 product; (iii) transfer the development, manufacture and commercialization of the CD38 product to Everest. The terminating party shall be solely responsible for the cost and expense of such development and commercialization after termination. In the event that such continuing party successfully develops and commercializes the CD38 product, it shall pay to the other party a percentage of the product profit and out-license revenue generated therefrom in accordance with the terms of this agreement.

The US$26.0 million (equivalent to approximately RMB178.7 million) in aggregate proceeds from Everest under the agreement represented the full funding available under the agreement, and was recorded as a research and development funding received liability on the consolidated balance sheet as of December 31, 2018, in accordance with ASC 730, Research and Development. Because there is a significant related party relationship between the Company and Everest, the Company is treating its obligation to make payments under the commercialization stage as an implicit obligation to repay the funds advanced by Everest (see Note 28).

Licensing Agreement with ABL Bio

In July 2018, the Group entered into a license and collaboration agreement with ABL Bio, under which the Group granted to ABL Bio exclusive, worldwide (excluding Greater China), royalty-bearing rights to develop and commercialize a bispecific antibodies (“BsAbs”).

The Group agreed to share costs fifty-fifty (50:50) with ABL Bio through the completion of in vivo studies, with ABL Bio responsible for all costs and activities following that time.

In consideration of the license, ABL Bio agreed to pay the Group an upfront fee of US$2.5 million (equivalent to approximately RMB17.2 million), and milestone payments in the aggregate amount of US$97.5 million (equivalent to approximately RMB646.8 million) conditioned upon achieving certain research, clinical development and sales milestones. These include research milestones of up to US$2.5 (equivalent to approximately RMB17.2) million, clinical milestones of up to US$30 million (equivalent to approximately RMB199.0 million) and sales milestones of up to US$65 million (equivalent to approximately RMB431.2 million). Further, ABL Bio agreed to pay the Group royalties at mid-single-digit percentages in respect of the total annual net sales of the licensed BsAbs product.

In addition, ABL Bio granted to the Group an exclusive, royalty-free, sublicensable license to use the BsAbs technology solely to exploit the licensed BsAbs product for all indications in Greater China.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

B. Out-Licensing and collaboration Arrangements (continued)

The Group determined that this collaboration is more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. Under this agreement, the only one performance obligation was to grant the BsAbs license to ABL, considering that the achievements of milestones are constrained such that the transaction price shall initially only include upfront payment and subsequently, once another milestone was achieved (that means when uncertainty associated with the variable consideration is subsequently resolved), the additional milestone payment shall be included in the total transaction price when it is no longer probable that a significant reversal of cumulative revenue would occur in future periods.

As of December 31, 2018, no milestone has been achieved, and the Group recognized revenue of US$2.5 million (equivalent to RMB17.2 million) of revenue in the consolidated statements of comprehensive loss, which was upfront fee related to the grant of the rights of BsAbs to ABL Bio as mentioned above.

Collaboration Agreement with ABL Bio

In July 2018, the Group and ABL Bio entered into a collaboration agreement (the “ABL Bio Collaboration”) whereby both parties agreed to collaborate to develop three PD-L1 based bispecific antibodies by using ABL Bio’s proprietary BsAb technology and commercialize them in their respective territories, which, collectively, include Greater China and South Korea, and other territories throughout the rest of the world if both parties agree to do so in such other territories during the performance of the agreement.

At contract inception, as both I-Mab and ABL participate actively in the research and development activity. Also, they share the risk of failure of the bio-sequence products and share the income of licensing, so this contract meet the criteria of the definition of a collaborative arrangement, the Group categorized this agreement within the scope ASC 808. Prior to commercialization, the Group recorded the share of the expenses incurred by the collaboration for the development of three PD-L1 based bispecific antibodies products in research and development expense in the consolidated statements of comprehensive loss. For the year ended December 31, 2018, RMB1.0 million expenses were incurred by the Group and ABL did not incurred any expenses. According to the terms set out in the agreement, the Group recorded RMB0.5 million (50% cost sharing) of expenses in the Group’s consolidated statements of comprehensive loss for the year ended December 31, 2018.

Collaboration Agreements with Tracon Pharmaceuticals, Inc. (“Tracon”)

In November 2018, the Group entered into collaboration agreements with Tracon, under which both parties agreed to co-develop the Group’s proprietary CD73 antibody, TJD5 (the “TJD5 Agreement”) and co-develop up to five BsAbs (the “BsAbs Agreement”).

Given the early preclinical stage of development of these assets as of December 31, 2018, there was no significant financial impact to the Group for the year ended December 31, 2018.

Licensing Agreement with CSPC Pharmaceutical Group Limited (“CSPC”)

In December 2018, the Group entered into a product development agreement with CSPC. The Group granted to CSPC exclusive, non-transferable, non-irrevocable and sublicensable rights in the PRC (excluding Hong Kong, Macau and Taiwan) to develop and commercialize TJ103 for treating type 2 diabetes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

B. Out-Licensing and collaboration Arrangements (continued)

CSPC is responsible for developing, obtaining market approval and commercializing the licensed products. The Group is responsible for transferring the manufacturing technology of the licensed products to CSPC and assisting CSPC in the continued optimization of such manufacturing technology thereafter.

In consideration of the license, CSPC agreed to pay the Group an upfront fee of RMB15.0 million (inclusive of VAT) and milestone payments in an aggregate amount of RMB135.0 million conditioned upon achieving certain clinical development and regulatory approval milestones. In addition, the Group is also entitled to royalties of up to low-double-digit percentages in respect of the total annual net sales of the products after its commercialization in the PRC.

The Group determined that this collaboration is more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. Under this agreement, the only one performance obligation was to grant TJ103 license to CSPC. Considering that the achievements of milestones are constrained such that the transaction price shall initially only include upfront payment and subsequently, once another milestone was achieved (that means when uncertainty associated with the variable consideration is subsequently resolved), the additional milestone payment shall be included in the total transaction price when it is no longer probable that a significant reversal of cumulative revenue would occur in future periods. As of December 31, 2018, RMB14.2 million upfront fee received and was recorded as advance from customers in the consolidated balance sheets. The license was approved by china intellectual property office subsequently in June 2019, and accordingly, RMB14.2 million (inclusive of VAT) was recognized as revenue in the consolidated statements of comprehensive loss.

19. OTHER INCOME (EXPENSES), NET

The following table summarizes other income (expense) recognized for the years ended December 31, 2017 and 2018:

		Year Ended December 31		
		2017	2018	
	Notes	RMB	RMB	US$ (Note 2.5)
Loss from conversion of 2017 Notes	14	—	(18,375)	(2,676)
Loss from conversion of Onshore Convertible Loans	14	—	(8,548)	(1,245)
Loss from issuance of 2018 Notes	14	—	(5,081)	(740)
Income from other financial assets		5,572	13,622	1,984
Net foreign exchange gains (losses)		(3,873)	742	108
Subsidy income		—	750	109
Others		(172)	110	16
		1,527	(16,780)	(2,444)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

20. NET LOSS PER SHARE

Basic and diluted net loss per share for each of the years presented are calculated as follows:

	Year Ended December 31		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
	(in thousands, except for loss per shares)		
Numerator:			
Net loss attributable to ordinary shareholders	(298,240)	(402,833)	(58,679)
Denominator:			
Weighted average number of ordinary shares outstanding - basic and diluted	5,742,669	6,529,092	6,529,092
Net loss per share - basic and diluted	(51.93)	(61.70)	(8.99)

For the years ended December 31, 2017 and 2018, the effects of all outstanding convertible preferred shares, convertible promissory notes and restricted shares have been excluded from the computation of diluted loss per share for the years ended December 31, 2017 and 2018 as their effects would be anti-dilutive.

For the year ended December 31, 2018, the Company also has certain dilutive potential stock options. These stock options which can not be exercised until the Company completes its listing are not included in the computation of diluted earnings per shares as such contingent event had not taken place.

The potentially dilutive securities that have not been included in the calculation of diluted net loss per share as their inclusion would be anti-dilutive are as follows:

	Year Ended December 31	
	2017	2018
Convertible preferred shares	14,811,182	64,389,968
Convertible promissory notes	673,738	—
Restricted shares	1,623,553	1,134,058

21. EMPLOYEE BENEFITS

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries of the Group make contributions to the government for these benefits based on certain percentage of the employees' salaries, up to a maximum amount specified by the government. The Group has no legal obligation for the benefits beyond the contribution made. The total amounts charged to the consolidated statements of comprehensive loss for such employee benefits amounted to approximately RMB5,120 and RMB9,294 for the years ended December 31, 2017 and 2018.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

22. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases offices under non-cancelable operating lease agreements. Future minimum lease payments under non-cancelable operating lease agreements with initial terms of one year or more consist of the following:

	As of December 31, 2018	
	RMB	US$ (Note 2.5)
2019	5,754	838
2020	5,274	768
2021	3,511	511
2022	60	9
2023	60	9
Thereafter	276	40
Total	14,935	2,175

The total amounts charged to the consolidated statements of comprehensive loss for rental expense amounted to approximately RMB3,127 and RMB4,659 for the years ended December 31, 2017 and 2018, respectively.

Capital commitments

	As of December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Property, equipment and software			
Leasehold improvements	408	—	—

Contingencies

The Group is a party to or assignee of license and collaboration agreements that may require it to make future payments relating to milestone fees and royalties on future sales of licensed products (Note 18).

The Group did not have significant capital and other commitments, long-term obligations, or guarantees as of December 31, 2017 and 2018.

23. RELATED PARTY BALANCES AND TRANSACTIONS

The table below sets forth the major related parties and their relationships with the Group as of December 31, 2017 and 2018:

Name of related parties	Relationship with the Group
Everest	Controlled by the ultimate controlling party of a principal shareholder of the Group
CMAB Biopharma (Suzhou) Inc.	Controlled by the ultimate controlling party of a principal shareholder of the Group

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

23. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Details of related party balance as of December 31, 2017 and 2018 are as follows:

Research and development funding received

	As of December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Everest (Note 18)	—	178,715	26,033

Details of related party transaction for the years ended December 31, 2017 and 2018 are as follows:

Receipt of CRO services - recognized in research and development expenses

	For the year ended December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
CMAB Biopharma (Suzhou) Inc.	—	2,786	406

24. CONCENTRATION OF CREDIT RISK

Financial instruments that are potentially subject to significant concentration of credit risk consist of cash and cash equivalents, restricted cash, other financial assets, contract assets and other receivables. The carrying amounts of cash and cash equivalents, restricted cash and other financial assets represent the maximum amount of loss due to credit risk. As of December 31, 2017 and 2018, all of the Group's cash and cash equivalents and restricted cash were held by major financial institutions located in the PRC and international financial institutions outside of the PRC which management believes are of high credit quality and continually monitors the credit worthiness of these financial institutions. With respect to the contract assets, other receivables and other financial assets, the Group performs on-going credit evaluations of the financial condition of its customers and counterparties.

25. SUBSEQUENT EVENTS

The Group evaluated subsequent events through July 29, 2019.

(a) On February 22, 2019, the Group adopted the 2018 equity incentive plan ("2018 Plan"). Under 2018 Plan, the maximum aggregate number of ordinary shares which may be issued pursuant to all awards is 14,005,745, subject to further amendment. If the Group successfully lists on an internationally recognized securities exchange for a Qualified Public Offering by December 31, 2019, the maximum aggregate number of ordinary shares which may be issued shall be 15,452,620. Accordingly, 10,893,028 stock options granted to a director of the Group under 2018 Plan were fully vested and exercisable upon the adoption of 2018 Plan.

On February 22, 2019, the amendment and restated 2017 equity incentive plan was approved by the Board of Directors of the Company, pursuant to which 3,435,215 stock options held by a director of the Group under the 2017 equity incentive plan became fully vested and exercisable on February 22, 2019.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

25. SUBSEQUENT EVENTS (CONTINUED)

In addition, the Group repurchased 3,890,155 stock options held by a director of the Group, including 3,435,215 stock options under the amendment and restated 2017 equity incentive plan and 454,940 stock options under the 2018 equity incentive plan, at the total consideration of US$21,902 (equivalent to approximately RMB148,308).

In July 2019, the Group granted 640,000 stock options and 3,098,500 stock options to the employees under 2017 Plan and 2018 Plan, respectively.

(b) On July 25, 2019, the Group entered into a share purchase agreement with certain third party investors, under which these investors will subscribe for an aggregate of 3,857,143 Series C-1 convertible preferred shares of the Company for an aggregate purchase price of US$27.0 million. Up to the issuance of these consolidated financial statements, this transaction has not been consummated.

(c) According to the confirmations issued by the Company's Series B Warrants holders in July 2019, the holders of Series B Warrants has unconditionally and irrevocably waived and cancelled the Tranche II of Series B Warrants.

(d) In July, 2019, the Group entered into an in-licensing and collaboration agreement with MacroGenics, Inc. for development and commercialization of an Fc-optimized antibody known as enoblituzumab that targets B7-H3, including in combination with other agents, such as the anti-PD-1 antibody known as MGA012, in Greater China.

26. UNAUDITED PRO FORMA NET LOSS PER SHARE

The unaudited pro forma net loss per ordinary share is computed using the weighted-average number of ordinary shares outstanding and assumes forfeiture of Tranche II of Series B Warrants and the automatic conversion of all of the Group's outstanding mezzanine equity into ordinary shares upon the closing of the Group's Qualified Public Offering, as if it had occurred on January 1, 2018. The Group believes the unaudited pro forma net loss per share provides material information to investors, as the automatic conversion of the Group's outstanding mezzanine equity and forfeiture of Tranche II of Series B Warrants. The disclosure of pro forma net loss per ordinary share provides an indication of net loss per ordinary share that is comparable to what will be reported by the Group as a public company following the closing of the Qualified Public Offering.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

26. UNAUDITED PRO FORMA NET LOSS PER SHARE (CONTINUED)

The following table summarizes the unaudited pro forma net loss per share attributable to ordinary shareholders:

	For the year ended December 31, 2018	
	RMB	US$ (Note 2.5)
	(in thousands, except for loss per shares)	
Numerator		
Net loss attributable to ordinary shareholders	(402,833)	(58,679)
Add back fair value change of Tranche II of Series B Warrants (Note 15)	(33,881)	(4,935)
Numerator for pro-forma basic and diluted net loss per share	(436,714)	(63,614)
Denominator		
Weighted average number of ordinary shares outstanding	6,529,092	6,529,092
Pro-forma effect of the conversion of Series A Preferred Shares	26,103,417	26,103,417
Pro-forma effect of the conversion of Series B Preferred Shares	23,146,134	23,146,134
Pro-forma effect of the conversion of Series C Preferred Shares	15,140,417	15,140,417
Denominator for pro-forma basic and diluted net loss per share	70,919,060	70,919,060
Pro-forma net loss per share:		
- Basic	(6.16)	(0.90)
- Diluted	(6.16)	(0.90)

The unaudited pro forma loss per share excluded the impacts of the Group's share-based awards that subject to IPO conditions.

27. RESTRICTED NET ASSETS

The Group's ability to pay dividends may depend on the Group receiving distributions of funds from its PRC subsidiary. Relevant PRC statutory laws and regulations permit payments of dividends by the Group's PRC subsidiary only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Group's PRC subsidiary.

In accordance with the Company law of the PRC, a domestic enterprise is required to provide statutory reserves of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. A domestic enterprise is also required to provide discretionary surplus reserve, at the discretion of the Board of Directors, from the profits determined in accordance with the enterprise's PRC statutory accounts. The aforementioned reserves can only be used for specific purposes and are

27. RESTRICTED NET ASSETS (CONTINUED)

not distributable as cash dividends. The Group's PRC subsidiary was established as domestic invested enterprise and therefore is subject to the above mentioned restrictions on distributable profits.

For the years ended December 31, 2017 and 2018, no appropriation to statutory reserves was made because the PRC subsidiary had substantial losses during such periods.

As a result of these PRC laws and regulations subject to the limit discussed above that require annual appropriations of 10% of after-tax income to be set aside, prior to payment of dividends, as general reserve fund, the Group's PRC subsidiary is restricted in their ability to transfer a portion of their net assets to the Group.

Foreign exchange and other regulations in the PRC further restrict the Company's PRC subsidiaries from transferring funds to the Company in the form of dividends, loans and advances.

Since the Group has a consolidated shareholders' deficit, its net asset base for purposes of calculating the proportionate share of restricted net assets of consolidated subsidiaries should be zero. Therefore, the restrictions placed on the net assets of the Company's PRC subsidiaries with positive equity would result in the 25 percent threshold being exceeded and a corresponding requirement to provide parent company financial information (Note 28).

28. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

The Company performed a test on the restricted net assets of consolidated subsidiaries in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e)(3), "General Notes to Financial Statements" and concluded that it was applicable for the Company to disclose the financial statements for the parent company.

The subsidiaries did not pay any dividends to the Company for the years presented. For the purpose of presenting parent company only financial information, the Company records its investments in its subsidiaries under the equity method of accounting. Such investments are presented on the separate condensed balance sheets of the Company as "Investments (deficit) in subsidiaries" and the loss of the subsidiaries is presented as "share of losses of subsidiaries". Certain information and footnote disclosures generally included in financial statements prepared in accordance with U.S. GAAP have been condensed and omitted. The footnote disclosures contain supplemental information relating to the operations of the Company, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of the Company.

The Company did not have significant capital and other commitments, long-term obligations, other long-term debt, or guarantees as of December 31, 2017 and 2018.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

28. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY (CONTINUED)

Balance sheets

	As of December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Assets			
Current assets			
Cash and cash equivalents	34,229	603,234	87,871
Total current assets	34,229	603,234	87,871
Investments in subsidiaries	148,688	—	—
Receivables due from subsidiaries	371,211	1,455,048	211,952
Total assets	**554,128**	**2,058,282**	**299,823**
Liabilities, mezzanine equity and shareholders' equity (deficit)			
Current liabilities			
Warrant liabilities	65,832	5,618	818
Total current liabilities	65,832	5,618	818
Convertible promissory notes	77,810	67,026	9,763
Deficit in subsidiaries	—	25,384	3,698
Total liabilities	**143,642**	**98,028**	**14,279**
Mezzanine equity			
Series A convertible preferred shares (US$0.0001 par value, 21,865,233 and 30,227,056 shares authorized, issued and outstanding as of December 31, 2017 and 2018, respectively)	363,766	687,482	100,143
Series B convertible preferred shares (US$0.0001 par value, 15,894,594 and 30,305,212 shares authorized, issued and outstanding as of December 31, 2017 and 2018, respectively)	346,515	921,243	134,194
Series C convertible preferred shares (US$0.0001 par value, 31,046,360 shares authorized, issued and outstanding as of December 31, 2018)	—	1,306,633	190,333
Total mezzanine equity	**710,281**	**2,915,358**	**424,670**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

28. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY (CONTINUED)

Balance sheets (continued)

	As of December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Shareholders' deficit			
Ordinary shares (US$0.0001 par value, 500,000,000 shares authorized as of December 31, 2017 and 2018, 8,363,719 shares authorized, issued and outstanding as of December 31, 2017 and 2018, respectively)	6	6	1
Treasury stock	(1)	(1)	(0)
Additional paid-in capital	52,369	—	—
Accumulated other comprehensive income	5,691	59,380	8,650
Accumulated deficit	(357,860)	(1,014,489)	(147,777)
Total shareholders' deficit	**(299,795)**	**(955,104)**	**(139,126)**
Total liabilities, mezzanine equity and shareholders' deficit	**554,128**	**2,058,282**	**299,823**

Statements of comprehensive loss

	Year Ended December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Operating expenses			
Research and development expenses	(128,721)	(121,734)	(17,733)
Administrative expenses	—	(15,373)	(2,239)
Total operating expenses	(128,721)	(137,107)	(19,972)
Interest expenses, net	(3,892)	(7,467)	(1,088)
Share of losses of subsidiaries	(151,600)	(319,664)	(46,564)
Fair value change of warrants	(14,027)	61,405	8,945
Loss before income tax expense	(298,240)	(402,833)	(58,679)
Net loss	(298,240)	(402,833)	(58,679)
Other comprehensive income (loss)			
Foreign currency translation adjustments, net of nil tax	5,918	53,689	7,821
Total comprehensive loss	(292,322)	(349,144)	(50,858)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

28. CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY (CONTINUED)

Statements of cash flows

	Year Ended December 31,		
	2017	2018	
	RMB	RMB	US$ (Note 2.5)
Net cash (used in) generated from operating activities	(132,732)	40,232	5,860
Net cash used in investing activities	(356,635)	(1,032,483)	(150,398)
Net cash generated from financing activities	475,224	1,498,669	218,306
Effect of exchange rate changes on cash and cash equivalents	4,697	62,587	9,117
Net (decrease) increase in cash and cash equivalents	(9,446)	569,005	82,885
Cash and cash equivalents at beginning of the year	43,675	34,229	4,986
Cash and cash equivalents at end of the year	34,229	603,234	87,871

Report of Independent Auditors

To the Board of Directors and Shareholders of I-Mab Bio-tech (Tianjin) Co., Ltd.

We have audited the accompanying consolidated financial statements of I-Mab Bio-tech (Tianjin) Co., Ltd. and its subsidiaries, which comprise the consolidated balance sheet as of July 15, 2017 and the related consolidated statement of comprehensive loss, of changes in shareholders' equity and of cash flows for the period from January 1, 2017 to July 15, 2017.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the I-Mab Bio-tech (Tianjin) Co., Ltd. and its subsidiaries as of July 15, 2017 and the results of their operations and their cash flows for the period from January 1, 2017 to July 15, 2017 in accordance with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
July 29, 2019

I-Mab Bio-tech (Tianjin) Co., Ltd. ("I-Mab Tianjin")
CONSOLIDATED BALANCE SHEET
As of July 15, 2017
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Note	As of July 15, 2017	
		RMB	US$ (Note 2.5)
Assets			
Current assets			
Cash and cash equivalents		93,335	13,596
Other financial assets		30,000	4,370
Prepayments and other receivables		564	82
Total current assets		**123,899**	**18,048**
Equipment and software	3	43	6
Total assets		**123,942**	**18,054**
Liabilities and shareholders' equity			
Current liabilities			
Accruals and other payables		1,824	266
Total current liabilities		**1,824**	**266**
Commitments and contingencies	4		
Shareholders' equity			
Paid-in capital		294,390	42,883
Additional paid-in capital		4,500	655
Accumulated deficit		(176,772)	(25,750)
Total shareholders' equity		**122,118**	**17,788**
Total liabilities and shareholders' equity		**123,942**	**18,054**

The accompanying notes are an integral part of these consolidated financial statements.

I-MAB TIANJIN
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
For the Period from January 1, 2017 to July 15, 2017
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	For the Period from January 1 to July 15, 2017	
	RMB	US$ (Note 2.5)
Operating expenses		
Research and development expenses	(10,882)	(1,585)
Administrative expenses	(3,745)	(546)
Total operating expenses	(14,627)	(2,131)
Loss from operations		
Other expenses, net	(1,622)	(236)
Loss before income tax expense	(16,249)	(2,367)
Income tax expense	—	—
Net loss	(16,249)	(2,367)
Other comprehensive income	—	—
Total comprehensive loss	(16,249)	(2,367)

The accompanying notes are an integral part of these consolidated financial statements.

I-MAB TIANJIN
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the Period from January 1, 2017 to July 15, 2017
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Paid-in capital	Additional paid-in capital	Accumulated deficit	Total Shareholders' Equity
	RMB	RMB	RMB	RMB
Balances as of January 1, 2017	294,390	4,500	(160,523)	138,367
Loss for the period	—	—	(16,249)	(16,249)
Balances as of July 15, 2017	294,390	4,500	(176,772)	122,118

The accompanying notes are an integral part of these consolidated financial statements.

I-MAB TIANJIN
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Period from January 1, 2017 to July 15, 2017
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	For the Period from January 1 to July 15, 2017	
	RMB	US$ (Note 2.5)
Cash flows from operating activities		
Net loss	(16,249)	(2,367)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation of equipment and software	22	3
Income from short-term investment	(482)	(70)
Changes in operating assets and liabilities		
Prepayments and other receivables	255	37
Accruals and other payables	(1,304)	(190)
Net cash used in operating activities	(17,758)	(2,587)
Cash flows from investing activities		
Cash paid for investments in other financial assets	(30,000)	(4,370)
Cash received from disposal of short-term investment	45,000	6,555
Cash received on income from short-term investment	482	70
Net cash generated from investing activities	15,482	2,255
Net cash generated from financing activities	—	—
Net decrease in cash and cash equivalents	(2,276)	(332)
Cash and cash equivalents at beginning of the period	95,611	13,928
Cash and cash equivalents at end of the period	93,335	13,596

The accompanying notes are an integral part of these consolidated financial statements.

I-MAB TIANJIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

1. PRINCIPAL ACTIVITIES AND ORGANIZATION

I-Mab Bio-tech (Tianjin) Co., Ltd. (previously known as Tasgen Bio-tech (Tianjin) Co., Ltd.) (the "Company") and its subsidiaries, Chengdu Tasgen Bio-Tech Co., Ltd. and Shanghai Tianyunjian Bio-Tech Co., Ltd., (together the "Group") are principally engaged in the research and development of innovative medicines in the People's Republic of China (the "PRC").

As of July 15, 2017, the Company's subsidiaries are as follows

Subsidiaries	Place of incorporation	Date of incorporation	Percentage of direct or indirect ownership by the Company	Principal activities
Chengdu Tasgen Bio-Tech Co., Ltd.	PRC	May 30, 2016	100%	Research and development of innovative medicines
Shanghai Tianyunjian Bio-Tech Co., Ltd.	PRC	June 28, 2016	100%	Research and development of innovative medicines

2. PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Significant accounting policies followed by the Group in the preparation of its accompanying consolidated financial statements are summarized below.

2.2 Basis of consolidation

The accompanying consolidated financial statements reflect the accounts of the Company and all of its subsidiaries in which a controlling interest is maintained. All inter-company balances and transactions have been eliminated in consolidation.

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in determining items such as useful lives of equipment and software, impairment of other receivables, impairment of long-lived assets, taxes on income, tax valuation allowances. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates.

I-MAB TIANJIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.4 Fair value measurements

Financial assets and liabilities of the Group primarily comprise of cash and cash equivalents, other financial assets, other receivables, accruals and other payables. As of July 15, 2017, except for other financial assets the carrying values of these financial assets and liabilities approximated their fair values because of their generally short maturities. The Group reports other financial assets at fair value at each balance sheet date and changes in fair value are reflected in the consolidated statements of comprehensive loss.

The Group measures its financial assets and liabilities using inputs from the following three levels of the fair value hierarchy. The three levels are as follows:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets that the management has the ability to access at the measurement date.

Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 includes unobservable inputs that reflect the management's assumptions about the assumptions that market participants would use in pricing the asset. The management develops these inputs based on the best information available, including the own data.

Assets measured at fair value on a recurring basis

The Group measured its other financial assets at fair value on a recurring basis. As the Group's other financial assets are not traded in an active market with readily observable prices, the Group uses significant unobservable inputs to measure the fair value. These instruments are categorized in the Level 3 valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement.

The following table summarizes the Group's financial assets measured and recorded at fair value on recurring basis as of July 15, 2017:

	As of July 15, 2017			
	Active market (Level 1)	Observable input (Level 2)	Non-observable input (Level 3)	Total
	RMB	RMB	RMB	RMB
Assets:				
Other financial assets	—	—	30,000	30,000

2.5 Foreign currency translation

Translations of balances in the consolidated balance sheet, consolidated statement of comprehensive loss, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows from RMB into US$ as of and for the period ended July 15, 2017 are solely for the convenience of the readers and were calculated at the rate of US$1.00=RMB6.8650, representing the noon buying rate in The City of New York for

I-MAB TIANJIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation (continued)

cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York on December 31, 2018. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on December 31, 2018, or at any other rate. The US$ convenience translation is not required under U.S. GAAP and all US$ convenience translation amounts in the accompanying consolidated financial statements are unaudited.

2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits, which are unrestricted as to withdrawal and use. The Company considers all highly liquid investments with an original maturity date of three months or less at the date of purchase to be cash equivalents.

2.7 Equipment and software

Equipment and software are stated at cost less accumulated depreciation, amortization and impairment (if any). Depreciation and amortization is computed using the straight-line method over the following estimated useful lives, taking into account any estimated residual value:

Laboratory equipment	3 to 5 years
Software	2 to 5 years

The Group recognized the gain or loss on the disposal of equipment and software in the consolidated statement of comprehensive loss.

2.8 Research and development expenses

Elements of research and development expenses primarily include (1) payroll and other related expenses of personnel engaged in research and development activities, (2) in-licensed patent rights fee of exclusive development rights of drugs granted to the Group, (3) expenses related to preclinical testing of the Group’s technologies and clinical trials such as payments to contract research organizations (“CRO”), investigators and clinical trial sites that conduct the clinical studies (4) expenses to develop the product candidates, including raw materials and supplies, product testing, depreciation, and facility related expenses, (5) other research and development expenses. Research and development expenses are charged to expense as incurred when these expenditures relate to the Group’s research and development services and have no alternative future uses.

The Group has acquired rights to develop and commercialize product candidates. Upfront payments that relate to the acquisition of a new drug compound, as well as pre-commercial milestone payments, are immediately expensed as acquired in-process research and development in the period in which they are incurred, provided that the new drug compound did not also include processes or activities that would constitute a “business” as defined under U.S. GAAP, the drug has not achieved regulatory approval for marketing and, absent obtaining such approval, has no established alternative future use. Milestone payments made to third parties subsequent to regulatory approval would be capitalized as intangible assets and amortized over the estimated remaining useful life of the related product. The conditions enabling capitalization of development expenses as an asset have not yet been met and, therefore, all development expenditures are recognized in profit or loss when incurred.

I-MAB TIANJIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.9 Income taxes

The Group accounts for income taxes under the liability method. Under the liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and income tax bases of assets and liabilities and are measured using the tax income rates that will be in effect when the differences are expected to reverse. A valuation allowance is recorded when it is more likely than not that some portion or all of a deferred income tax asset will not be realized.

The Group evaluates its uncertain tax positions using the provisions of ASC 740, *Income Taxes*, which prescribes a recognition threshold that a tax position is required to meet before being recognized in the financial statements. The Group recognizes in the financial statements the benefit of a tax position which is ‘‘more likely than not’’ to be sustained under examination based solely on the technical merits of the position assuming a review by tax authorities having all relevant information. Tax positions that meet the recognition threshold are measured using a cumulative probability approach, at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. It is the Group’s policy to recognize interest and penalties related to unrecognized tax benefits, if any, as a component of income tax expense.

3. EQUIPMENT AND SOFTWARE

Equipment and software, net, consist of the following:

	As of July 15, 2017	
	RMB	US$ (Note 2.5)
Cost		
Laboratory equipment	66	10
Software	19	3
Total equipment and software	85	13
Less: accumulated depreciation and amortization	(42)	(7)
Net book value	43	6

The total amounts charged to the consolidated statement of comprehensive loss for depreciation and amortization expenses amounted to approximately RMB22 for the period from January 1, 2017 to July 15, 2017.

4. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases offices under non-cancelable operating lease agreements. Future minimum lease payments under non-cancelable operating lease agreements with initial terms of one year or more consist of the following:

	For the period from January 1 to July 15, 2017	
	RMB	US$ (Note 2.5)
Within 1 year	231	34

I-MAB TIANJIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

4. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contingencies

The Group is a party to or assignee of license and collaboration agreements that may require it to make future payments relating to milestone fees and royalties on future sales of licensed products.

5. RELATED PARTY TRANSACTIONS

The table below sets forth the major related party and its relationships with the Group as of December 31, 2017 and 2018:

Name of related party	Nature of relationship
Tasly Pharmaceutical Group Co., Ltd.	Controlled by the ultimate controlling party of a principal shareholder of the Group

For the period from January 1 to July 15, 2017, transaction with related party was as follows:

Receipt of CRO services- recognized in research and development expenses

	For the period from January 1 to July 15, 2017	
	RMB	US$ (Note 2.5)
Tasly Pharmaceutical Group Co., Ltd.	752	110

I-MAB
Unaudited Interim Condensed Consolidated Balance Sheets
As of December 31, 2018 and June 30, 2019
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Notes	As of December 31, 2018	As of June 30, 2019		2019	
		RMB	RMB	US$ (Note 2.5)	RMB (Pro forma) (Note 26)	US$ (Note 2.5) (Pro forma) (Note 26)
Assets						
Current assets						
Cash and cash equivalents		1,588,278	1,269,054	184,859	1,269,054	184,859
Restricted cash	9	92,653	147,806	21,530	147,806	21,530
Contract assets	18	11,000	11,000	1,602	11,000	1,602
Prepayments and other receivables	3	88,972	96,139	14,004	96,139	14,004
Other financial assets	2.4, 4	255,958	80,420	11,714	80,420	11,714
Total current assets		2,036,861	1,604,419	233,709	1,604,419	233,709
Property, equipment and software	5	27,659	25,118	3,659	25,118	3,659
Operating lease right-of-use assets	6	—	14,383	2,095	14,383	2,095
Intangible assets	7	148,844	148,844	21,682	148,844	21,682
Goodwill	8	162,574	162,574	23,682	162,574	23,682
Total assets		**2,375,938**	**1,955,338**	**284,827**	**1,955,338**	**284,827**
Liabilities, mezzanine equity and shareholders' equity (deficit)						
Current liabilities						
Short-term borrowings	9	80,000	50,000	7,283	50,000	7,283
Accruals and other payables	10	67,674	76,370	11,125	76,370	11,125
Advance from customers	18	14,151	—	—	—	—
Operating lease liabilities, current	6	—	5,532	806	5,532	806
Research and development funding received	23	178,715	231,390	33,706	231,390	33,706
Warrant liabilities	2.4, 15	5,618	50,151	7,305	—	—
Total current liabilities		**346,158**	**413,443**	**60,225**	**363,292**	**52,920**
Convertible promissory notes	14	67,026	67,138	9,780	67,138	9,780
Operating lease liabilities, non-current	6	—	6,536	952	6,536	952
Deferred subsidy income	2.7	2,500	3,920	571	3,920	571
Total liabilities		**415,684**	**491,037**	**71,528**	**440,886**	**64,223**
Commitments and contingencies	22					
Mezzanine equity						
Series A convertible preferred shares (US$0.0001 par value, 30,227,056 shares authorized, issued and outstanding as of December 31, 2018 and June 30, 2019, respectively)	13	687,482	687,482	100,143	—	—
Series B convertible preferred shares (US$0.0001 par value, 30,305,212 shares authorized, issued and outstanding as of December 31, 2018 and June 30, 2019, respectively)	13	921,243	921,243	134,194	—	—
Series C convertible preferred shares (US$0.0001 par value, 31,046,360 shares authorized, issued and outstanding as of December 31, 2018 and June 30, 2019)	13	1,306,633	1,306,633	190,333	—	—
Total mezzanine equity		**2,915,358**	**2,915,358**	**424,670**	**—**	**—**

I-MAB
Unaudited Interim Condensed Consolidated Balance Sheets (Continued)
As of December 31, 2018 and June 30, 2019
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Notes	As of December 31, 2018	As of June 30, 2019			
			2019		2019	
		RMB	RMB	US$ (Note 2.5)	RMB (Pro forma)	US$ (Note 2.5) (Pro forma) (Note 26)
Shareholders' equity (deficit)						
Ordinary shares (US$0.0001 par value, 500,000,000 shares authorized as of December 31, 2018 and June 30, 2019, 8,363,719 and 8,363,719 shares authorized, issued and outstanding as of December 31, 2018 and June 30, 2019, respectively)	12	6	6	1	69	10
Treasury stock		(1)	(1)	(0)	(1)	(0)
Additional paid-in capital		—	366,356	53,366	3,381,953	492,637
Accumulated other comprehensive income		59,380	54,408	7,925	54,408	7,925
Accumulated deficit		(1,014,489)	(1,871,826)	(272,663)	(1,921,977)	(279,968)
Total shareholders' equity (deficit)		**(955,104)**	**(1,451,057)**	**(211,371)**	**1,514,452**	**220,604**
Total liabilities, mezzanine equity and shareholders' equity (deficit)		**2,375,938**	**1,955,338**	**284,827**	**1,955,338**	**284,827**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

I-MAB
Unaudited Interim Condensed Consolidated Statements of Comprehensive Loss
For the Six months ended June 30, 2018 and 2019
(All amounts in thousands, except for share and per share data, unless otherwise noted)

		Six months ended June 30,		
		2018	2019	
	Notes	RMB	RMB	US$ (Note 2.5)
Revenues				
Licensing and collaboration revenue	18	21,377	15,000	2,185
Expenses				
Research and development expenses	18	(202,693)	(265,084)	(38,614)
Administrative expenses		(18,687)	(574,584)	(83,698)
Loss from operations		(200,003)	(824,668)	(120,127)
Interest income		980	12,818	1,867
Interest expense		(9,097)	(1,936)	(282)
Other income (expenses), net	19	(21,594)	303	44
Fair value change of warrants	2.4	62,994	(43,854)	(6,388)
Loss before income tax expense		(166,720)	(857,337)	(124,886)
Income tax expense	11	—	—	—
Net loss attributable to I-MAB		(166,720)	(857,337)	(124,886)
Other comprehensive income				
Foreign currency translation adjustments, net of nil tax		(7,446)	(4,972)	(724)
Total comprehensive loss attributable to I-MAB		(174,166)	(862,309)	(125,610)
Net loss attributable to ordinary shareholders		(166,720)	(857,337)	(124,886)
Weighted-average number of ordinary shares used in calculating net loss per share—basic and diluted	20	6,397,663	7,184,086	7,184,086
Net loss per share attributable to ordinary shareholders				
—Basic	20	(26.06)	(119.34)	(17.38)
—Diluted	20	(26.06)	(119.34)	(17.38)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

I-MAB
Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For the Six months ended June 30, 2018 and 2019
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Ordinary share (Note 12) (US$0.001 par value)		Treasury stock	Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total shareholders' equity (deficit)
	Number of shares	Amount					
		RMB	RMB	RMB	RMB	RMB	RMB
Balance as of December 31, 2017	8,363,719	6	(1)	52,369	5,691	(357,860)	(299,795)
Foreign currency translation adjustments	—	—	—	—	(7,446)	—	(7,446)
Net loss	—	—	—	—	—	(166,720)	(166,720)
Share-based compensation	—	—	—	1,929	—	—	1,929
Transaction with redeemable non- controlling interests (Note 16)	—	—	—	(54,298)	—	(229,701)	(283,999)
Balance as of June 30, 2018	8,363,719	6	(1)	—	(1,755)	(754,281)	(756,031)
Balance as of December 31, 2018	8,363,719	6	(1)	—	59,380	(1,014,489)	(955,104)
Foreign currency translation adjustments	—	—	—	—	(4,972)	—	(4,972)
Net loss	—	—	—	—		(857,337)	(857,337)
Share-based compensation	—	—	—	366,356	—	—	366,356
Balance as of June 30, 2019	8,363,719	6	(1)	366,356	54,408	(1,871,826)	(1,451,057)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

I-MAB
Unaudited Interim Condensed Consolidated Statements of Cash Flows
For the Six months ended June 30, 2018 and 2019
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Six months ended June 30,		
	2018	2019	
	RMB	RMB	US$ (Note 2.5)
Cash flows from operating activities			
Net loss	(166,720)	(857,337)	(124,886)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation of property, equipment and software	1,372	4,458	649
Interest expense of convertible promissory notes and onshore convertible loans	6,704	—	—
Fair value change of warrants	(62,994)	43,854	6,388
Fair value change of other financial assets	—	508	74
Income from other financial assets	(8,527)	—	—
Share-based compensation	1,929	366,356	53,366
Loss from conversion of 2017 Notes	18,375	—	—
Loss from conversion of onshore convertible loans	6,865	—	—
Loss from issuance of 2018 Notes	4,893	—	—
Amortization of right-of-use assets and interest of lease liabilities	—	2,788	406
Changes in operating assets and liabilities			
Contract assets	(11,000)	—	—
Prepayments and other receivables	(8,706)	6,122	892
Accruals and other payables	3,644	8,696	1,267
Contract liabilities	(15,803)	—	—
Advance from customers	—	(14,151)	(2,061)
Research and development funding received	166,315	51,588	7,515
Deferred subsidy income	—	1,420	207
Lease liabilities	—	(3,336)	(486)
Net cash used in operating activities	(63,653)	(389,034)	(56,669)
Cash flows from investing activities			
Purchase of property, equipment and software	(4,127)	(1,930)	(281)
Proceeds from disposal of property and equipment	—	12	2
Cash paid for investments in other financial assets	(30,000)	—	—
Cash received from disposal of other financial assets	40,000	159,974	23,303
Cash received on income from other financial assets	8,527	—	—
Net cash generated from investing activities	14,400	158,056	23,024
Cash flows from financing activities			
Proceeds from issuance of convertible promissory notes	59,704	—	—
Proceeds from exercise of warrants	90,412	—	—
Proceeds from bank borrowings	—	50,000	7,283
Repayment of bank borrowings	—	(80,000)	(11,653)
Net cash generated from financing activities	150,116	(30,000)	(4,370)

I-MAB
Unaudited Interim Condensed Consolidated Statements of Cash Flows (Continued)
For the Six months ended June 30, 2018 and 2019
(All amounts in thousands, except for share and per share data, unless otherwise noted)

	Six months ended June 30,		
	2018	2019	
	RMB	RMB	US$ (Note 2.5)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(8,737)	(3,093)	(451)
Net increase in cash and cash equivalents and restricted cash	92,126	(264,071)	(38,466)
Cash, cash equivalents, and restricted cash, beginning of period	412,713	1,680,931	244,855
Cash, cash equivalents, and restricted cash, end of the period	504,839	1,416,860	206,389
Additional ASC 842 supplemental disclosures			
Cash paid for fixed operating lease costs included in the measurement of lease obligations in operating activities	—	3,336	486
Right-of-use assets obtained in exchange for operating lease obligations	—	2,952	430
Other supplemental cash flow disclosures			
Interest paid	2,394	1,936	282
Non-cash activities:			
Exercise of warrants	864	—	—
Payables for purchase of property, equipment and software	999	—	—

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

1. PRINCIPAL ACTIVITIES AND ORGANIZATION

I-Mab (the "Company") was incorporated in the Cayman Islands on June 30, 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company and its subsidiaries (together the "Group") are principally engaged in discovering and developing transformational biologics in the fields of immuno-oncology and immuno-inflammation diseases in the People's Republic of China (the "PRC") and other countries and regions.

Prior to the incorporation of the Company, the Group carried out its operation in the PRC since November 2014 mainly through Third Venture Biopharma (Nanjing) Co., Ltd. ("Third Venture"), which was incorporated on November 17, 2014 in the PRC. For the purpose of introduction of overseas investors and in preparation for a listing of the Company's shares on the overseas capital markets, the Group underwent a reorganization (the "Reorganization") in 2016. The Reorganization was approved by the Board of Directors and a restructuring framework agreement was entered into by Third Venture, the Company, and the shareholders of the Company based on Reorganization framework agreement, pursuant to which on July 7, 2016, Third Venture transferred all of its assets and operations to the Company's wholly owned subsidiary, I-Mab Biopharma Co., Ltd. ("I-Mab Shanghai"), which was a transaction in which shareholders had identical ownership interests before and after the transaction and was accounted for in a manner similar to a common control transaction.

The Reorganization, as described above has been accounted for at historical cost. That Reorganization was reverse merger of Third Venture and Third Venture is the predecessor of the Company. As such, the assets and liabilities of Third Venture are consolidated in the Company's financial statements at historical cost.

As of June 30, 2019, the Company's principal subsidiaries are as follows:

Subsidiaries	Place of incorporation	Date of incorporation or acquisition	Percentage of direct or indirect ownership by the Company	Principal activities
I-Mab Biopharma Hong Kong Limited	Hong Kong	July 8, 2016	100%	Investment holding
I-Mab Shanghai	PRC	August 24, 2016	100%	Research and development of innovative medicines
I-Mab Bio-tech (Tianjin) Co., Ltd. ("I-Mab Tianjin")	PRC	July 15, 2017	100%	Research and development of innovative medicines
I-Mab Biopharma US Ltd.	U.S.	February 28, 2018	100%	Research and development of innovative medicines

2. PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of presentation

The accompanying unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes normally included in the annual financial statements prepared in accordance with U.S. GAAP. Certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted consistent with Article 10 of Regulation S-X. In the opinion of

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of presentation (continued)

management, the Group's unaudited interim condensed consolidated financial statements and accompanying notes include all adjustments (consisting of normal recurring adjustments) considered necessary for the fair statement of the Group's financial position as of June 30, 2019, and results of operations and cash flows for the six months ended June 30, 2018 and 2019. Interim results of operations are not necessarily indicative of the results for the full year or for any future period. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2018, and related notes included in the Group's audited consolidated financial statements. The financial information as of December 31, 2018 presented in the unaudited interim condensed consolidated financial statements is derived from the audited consolidated financial statements as of December 31, 2018. Significant accounting policies followed by the Group in the preparation of the accompanying unaudited interim condensed consolidated financial statements are summarized below.

2.2 Basis of consolidation

The accompanying consolidated financial statements reflect the accounts of the Company and all of its subsidiaries in which a controlling interest is maintained. All inter-company balances and transactions have been eliminated in consolidation.

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for amounts recorded in connection with acquisitions, including initial fair value determinations of assets and liabilities and other intangible assets as well as subsequent fair value measurements. Additionally, estimates are used in determining items such as useful lives of property, equipment and software, impairment of contract assets and other receivables, impairment of long-lived assets and goodwill, share-based compensation, leases, tax valuation allowances and revenues from licensing and collaboration arrangements. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates.

2.4 Fair value measurements

Financial assets and liabilities of the Group primarily comprise of cash and cash equivalents, restricted cash, other financial assets, contract assets, other receivables, short-term borrowings, accruals and other payables and warrants liabilities. As of December 31, 2018 and June 30, 2019, except for other financial assets and warrant liabilities, the carrying values of these financial assets and liabilities approximated their fair values because of their generally short maturities. The Group reports other financial assets and warrant liabilities at fair value at each balance sheet date and changes in fair value are reflected in the consolidated statements of comprehensive loss.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.4 Fair value measurements (continued)

The Group measures its financial assets and liabilities using inputs from the following three levels of the fair value hierarchy. The three levels are as follows:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets that the management has the ability to access at the measurement date.

Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 includes unobservable inputs that reflect the management's assumptions about the assumptions that market participants would use in pricing the asset. The management develops these inputs based on the best information available, including the own data.

Assets and liabilities measured at fair value on a recurring basis

The Group measured its other financial assets and warrant liabilities at fair value on a recurring basis. As the Group's other financial assets and warrants are not traded in an active market with readily observable prices, the Group uses significant unobservable inputs to measure the fair value of other financial assets and warrant liabilities. These instruments are categorized in the Level 3 valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement.

The following table summarizes the Group's financial assets and liabilities measured and recorded at fair value on a recurring basis as of December 31, 2018 and June 30, 2019:

	As of December 31, 2018			
	Active market (Level 1) RMB	Observable input (Level 2) RMB	Non-observable input (Level 3) RMB	Total RMB
Assets:				
Other financial assets	—	—	255,958	255,958
Liabilities:				
Warrant liabilities	—	—	5,618	5,618

	As of June 30, 2019			
	Active market (Level 1) RMB	Observable input (Level 2) RMB	Non-observable input (Level 3) RMB	Total RMB
Assets:				
Other financial assets	—	—	80,420	80,420
Liabilities:				
Warrant liabilities	—	—	50,151	50,151

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.4 Fair value measurements (continued)

The roll forward of major Level 3 financial asset and financial liability are as follows:

	Other financial assets	Warrant liabilities
Fair value of Level 3 financial asset and liability as of December 31, 2018	255,958	(5,618)
Disposal of other financial assets due to Termination Agreement (Note 4)	(159,974)	—
Reclassified as other receivables due to Termination Agreement (Note 4)	(15,056)	—
Fair value changes	(508)	(43,854)
Currency translation differences	—	(679)
Fair value of Level 3 financial assets and liability as of June 30, 2019	**80,420**	**(50,151)**

Refer to Note 15 for additional information about Level 3 warrant liabilities measured at fair value on a recurring basis for the six months ended June 30, 2018 and 2019.

2.5 Foreign currency translation

The Group uses Chinese Renminbi ("RMB") as its reporting currency. The United States Dollar ("US$") is the functional currency of the Group's entities incorporated in the Cayman Islands, the United States of America ("U.S.") and Hong Kong, the Australia Dollar ("AUD") is the functional currency of the Group's entity incorporated in Australia and the RMB is the functional currency of the Company's PRC subsidiaries.

Transactions denominated in other than the functional currencies are translated into the functional currency of the entity at the exchange rates prevailing on the transaction dates. Assets and liabilities denominated in other than the functional currencies are translated at the balance sheet date exchange rate. The resulting exchange differences are recorded in the consolidated statements of comprehensive loss.

The unaudited interim condensed consolidated financial statements of the Group are translated from the functional currency to the reporting currency, RMB. Assets and liabilities of the subsidiaries are translated into RMB using the exchange rate in effect at each balance sheet date. Income and expenses are translated at the average exchange rates prevailing for the year. Foreign currency translation adjustments arising from these are reflected in the accumulated other comprehensive income. The exchange rates used for translation on December 31, 2018 and June 30, 2019 were US$1.00 = RMB6.8632 and RMB6.8747, respectively, representing the index rates stipulated by the People's Bank of China.

Translations of balances in the consolidated balance sheets, consolidated statements of comprehensive loss, consolidated statements of changes in shareholders' equity (deficit) and consolidated statements of cash flows from RMB into US$ as of and for the six months ended June 30, 2019 are solely for the convenience of the readers and were calculated at the rate of US$1.00=RMB6.8650, representing the noon buying rate in The City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York on June 30, 2019. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on June 30, 2019, or at any other rate. The US$ convenience translation is not required under U.S. GAAP and all US$ convenience translation amounts in the accompanying consolidated financial statements are unaudited.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.6 Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The Group allocates the cost of an acquired entity to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the purchase price for acquisitions over the fair value of the net assets acquired, including other intangible assets, is recorded as goodwill. Goodwill is not amortized, but impairment of goodwill assessment is performed on at least an annual basis on December 31 or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

The Group has elected to first assess qualitative factors to determine whether it is more likely than not that the fair value of the Group's reporting unit is less than its carrying amount, including goodwill. The qualitative assessment includes the Group's evaluation of relevant events and circumstances affecting the Group's single reporting unit, including macroeconomic, industry, market conditions and the Group's overall financial performance. If qualitative factors indicate that it is more likely than not that the Group's reporting unit's fair value is less than its carrying amount, then the Group will perform the quantitative impairment test by comparing the reporting unit's carrying amount, including goodwill, to its fair value. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess. For the six months ended June 30, 2018 and 2019, the Group determined that there were no indicators of impairment of the goodwill.

2.7 Deferred subsidy income

Deferred subsidy income consists of deferred income from government grants. Government grants consist of cash subsidies received by the Group's subsidiaries in the PRC from local governments as support on expenses relating to certain projects. Grants received with government specified performance obligations are recognized when all the obligations have been fulfilled. If such obligations are not satisfied, the Group may be required to refund the subsidy. Cash grants of RMB3,920 was recorded in deferred subsidy income as of June 30, 2019, which will be recognized when the government specified performance obligation is satisfied, which is expected to be more than 12 months after June 30, 2019.

2.8 Revenue recognition

The Group adopted Accounting Standard Codification ("ASC") 606, *Revenue from Contracts with Customers* (Topic 606) ("ASC 606") for all periods presented. Consistent with the criteria of Topic 606, the Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services.

Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration, if any; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Group only applies the five-step model to contracts when it is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services it transfers to the customer.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.8 Revenue recognition (continued)

Once a contract is determined to be within the scope of ASC 606 at contract inception, the Group reviews the contract to determine which performance obligations it must deliver and which of these performance obligations are distinct. The Group recognizes as revenue the amount of the transaction price that is allocated to each performance obligation when that performance obligation is satisfied or as it is satisfied.

Collaboration revenue

At contract inception, the Group analyzes its collaboration arrangements to assess whether they are within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808") to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Group first determines if the collaboration is deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For the collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently.

The Group's collaborative arrangements may contain more than one unit of account, or performance obligation, including grants of licenses to intellectual property rights, agreement to provide research and development services and other deliverables. The collaborative arrangements do not include a right of return for any deliverable. As part of the accounting for these arrangements, the Group must develop assumptions that require judgment to determine the stand-alone selling price for each performance obligation identified in the contract. In developing the stand-alone selling price for a performance obligation, the Group considers competitor pricing for a similar or identical product, market awareness of and perception of the product, expected product life and current market trends. In general, the consideration allocated to each performance obligation is recognized when the respective obligation is satisfied either by delivering a good or providing a service, limited to the consideration that is not constrained.

When the timing of the delivery of product is different from the timing of payments made by the customers, the Group recognizes either a contract asset (performance precedes the contractual due date) or a contract liability (customer payment precedes performance). The Group's contractual payment terms are typically due in no more than 30 days from invoicing. In limited situations, certain customer contractual payment terms require the Group to bill in arrears; thus, the Group satisfies some or all of the performance obligations before the Group is contractually entitled to bill the customer. In these situations, billing occurs subsequent to revenue recognition, which results in a contract asset. For example, certain of the contractual arrangements do not permit the Group to bill until the completion of the production of the samples. In other limited situations, certain customer contractual payment terms allow the Group to bill in advance; thus, the Group receives customer cash payment before satisfying some or all of its performance obligations. In these situations, billing occurs in advance of revenue recognition, which results in contract liabilities.

Licenses of Intellectual Property: Upfront non-refundable payments for licensing the Group's intellectual property are evaluated to determine if the license is distinct from the other performance obligations identified in the arrangement. For licenses determined to be distinct, the Group recognizes revenues from non-refundable, up-front fees allocated to the license at a point in time, when the license is transferred to the licensee and the licensee is able to use and benefit from the license.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.8 Revenue recognition (continued)

Research and Development Services: The portion of the transaction price allocated to research and development services performance obligations is deferred and recognized as collaboration revenue over time as delivery or performance of such services occurs.

Milestone Payments: At the inception of each arrangement that includes development, commercialization, and regulatory milestone payments, the Group evaluates whether the milestones are considered probable of being reached and to the extent that a significant reversal of cumulative revenue would not occur in future periods, estimates the amount to be included in the transaction price using the most likely amount method. The transaction price is then allocated to each performance obligation on a relative stand-alone selling price basis, for which the Group recognizes revenue as or when the performance obligations under the contract are satisfied. At the end of each subsequent reporting period, the Group re-evaluates the probability of achieving such development milestones and any related constraint, and if necessary, adjust the estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues and earnings in the period of adjustment.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Group recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

2.9 Research and development expenses

Elements of research and development expenses primarily include (1) payroll and other related expenses of personnel engaged in research and development activities, (2) in-licensed patent rights fee of exclusive development rights of drugs granted to the Group, (3) expenses related to preclinical testing of the Group’s technologies under development and clinical trials such as payments to contract research organizations (“CRO”), investigators and clinical trial sites that conduct the clinical studies (4) expenses to develop the product candidates, including raw materials and supplies, product testing, depreciation, and facility related expenses, (5) other research and development expenses. Research and development expenses are charged to expense as incurred when these expenditures relate to the Group’s research and development services and have no alternative future uses.

The Group has acquired rights to develop and commercialize product candidates. Upfront payments that relate to the acquisition of a new drug compound, as well as pre-commercial milestone payments, are immediately expensed as acquired in-process research and development in the period in which they are incurred, provided that the new drug compound did not also include processes or activities that would constitute a “business” as defined under U.S. GAAP, the drug has not achieved regulatory approval for marketing and, absent obtaining such approval, has no established alternative future use. Milestone payments made to third parties subsequent to regulatory approval would be capitalized as intangible assets and amortized over the estimated remaining useful life of the related product. The conditions enabling capitalization of development expenses as an asset have not yet been met and, therefore, all development expenditures are recognized in profit or loss when incurred.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.10 Leases

Prior to the adoption of ASC 842 on January 1, 2019:

Leases, mainly leases of offices, where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term. The Group had no capital leases for any of the years stated herein.

Upon and hereafter the adoption of ASC 842 on January 1, 2019:

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, operating lease liability, and operating lease liability, non-current in the Company's consolidated balance sheets. Please refer to Note 2(12) for the disclosures regarding the Company's method of adoption of ASC 842 and the impacts of adoption on its financial position, results of operations and cash flows.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When determining the lease term, the Company includes options to extend or terminate the lease when it is reasonably certain that it will exercise that option, if any. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate, which it calculates based on the credit quality of the Company and by comparing interest rates available in the market for similar borrowings, and adjusting this amount based on the impact of collateral over the term of each lease.

The Company has elected to adopt the following lease policies in conjunction with the adoption of ASU 2016-02: (i) elect for each lease not to separate non-lease components from lease components and instead to account for each separate lease component and the non-lease components associated with that lease component as a single lease component; (ii) for leases that have lease terms of 12 months or less and does not include a purchase option that is reasonably certain to exercise, the Company elected not to apply ASC 842 recognition requirements; and (iii) the Company elected to apply the package of practical expedients for existing arrangements entered into prior to January 1, 2019 to not reassess (a) whether an arrangement is or contains a lease, (b) the lease classification applied to existing leases, and(c) initial direct costs.

2.11 Share-based compensation

The Company grants restricted shares and stock options to eligible employees and accounts for share-based compensation in accordance with ASC 718, Compensation—Stock Compensation.

Employees' share-based compensation awards are measured at the grant date fair value of the awards and recognized as expenses a) immediately at the grant date if no vesting conditions are required; or b) for share based awards granted with only service conditions, using the graded vesting method net of estimated forfeitures over the vesting period; or c) for share-based awards granted with service conditions and the occurrence of an initial public offering ("IPO") as performance condition cumulative share-based compensation expenses for the options that have satisfied the service condition should be recorded upon the completion of the IPO using the graded vesting method.

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.11 Share-based compensation (continued)

A change in any of the terms or conditions of share-based awards is accounted for as a modification of the awards. The Group calculates incremental compensation expense of a modification as the excess of the fair value of the modified awards over the fair value of the original awards immediately before its terms are modified at the modification date. For vested awards, the Group recognizes incremental compensation cost in the period when the modification occurs. For awards not being fully vested, the Group recognizes the sum of the incremental compensation expense and the remaining unrecognized compensation expense for the original awards over the remaining requisite service period after modification.

Share-based compensation in relation to the restricted shares is measured based on the fair market value of the Group's ordinary shares at the grant date of the award. Prior to the listing, estimation of the fair value of the Group's ordinary shares involves significant assumptions that might not be observable in the market, and a number of complex and subjective variables, including discount rate, and subjective judgments regarding the Group's projected financial and operating results, its unique business risks, the liquidity of its ordinary shares and its operating history and prospects at the time the grants are made. Share-based compensation in relation to the share options is estimated using the Binominal Option Pricing Model. The determination of the fair value of share options is affected by the share price of the Group's ordinary shares as well as the assumptions regarding a number of complex and subjective variables, including the expected share price volatility, risk-free interest rate, exercise multiple and expected dividend yield. The fair value of these awards was determined with the assistance from an independent valuation firm.

2.12 Adopted accounting pronouncements

In 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This ASU requires lessees to recognize lease assets and lease liabilities on the balance sheet for the rights and obligations created by all leases with terms greater than 12 months. As we are not a lessor, other changes in the guidance applicable to lessors do not apply. Additionally, in 2018, the FASB issued codification and targeted improvements to this guidance effective for fiscal years and interim periods within those years beginning after December 15, 2018, with early adoption permitted. The Group adopted the new guidance on January 1, 2019, using the alternative transition approach. For additional information, see Note 6—"Leases."

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230) ("ASU 2016-18"). This ASU affects all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. This update was required to be adopted for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, and early adoption is permitted in any interim or annual period. The Group elected to early adopt this ASU and applied this guidance retrospectively to all periods presented.

2.13 Recent accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). This guidance requires that financial assets measured at amortized cost be presented at the net amount expected to be collected. The measurement of

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.13 Recent accounting pronouncements (continued)

expected credit losses is based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability. In November 2018, the FASB issued ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments-Credit Losses ("ASU 2018-19"), which clarifies certain topics included within ASU 2016-13. ASU 2016-13 and ASU 2018-19 are effective for the annual reporting period beginning after December 15, 2019, including interim periods within that reporting period. The Group is currently evaluating the impact on the consolidated financial statements upon the adoption of this guidance.

3. PREPAYMENTS AND OTHER RECEIVABLES

	As of December 31, 2018	As of June 30, 2019	
	RMB	RMB	US$ (Note 2.5)
Prepayments:			
—Prepayments to CRO vendors	71,894	67,721	9,865
—Prepayments for other services	3,160	1,742	254
Value-added tax recoverable	4,235	7,804	1,137
Rental deposits	1,012	—	—
Other receivables arising from Termination Agreement (Note 4)	—	15,056	2,193
Interest receivables	1,502	2,549	371
Others	7,169	1,267	184
	88,972	96,139	14,004

4. OTHER FINANCIAL ASSETS

	As of December 31, 2018	As of June 30, 2019	
	RMB	RMB	US$ (Note 2.5)
Financial asset at fair value through profit or loss	215,571	—	—
Note receivables	40,387	80,420	11,714
	255,958	80,420	11,714

The Group placed the principal amount for short-term investments through a contractual arrangement with a third party for the period from June 30, 2017 to June 30, 2020 ("Principal Amount"). The Principal Amount can be redeemed from the third party at the discretion of the Group from time to time whereby the Group is expecting to earn an income on the Principal Amount with an average yield in the range from 4.50% to 5.25% per annum. The Group initially records these assets at cost, which approximates its fair value at inception and subsequently records these assets at fair value. Changes in the fair value are reflected in the interim condensed consolidated statements of comprehensive loss.

On June 22, 2019, the Group entered into an agreement with the relevant party involved for early termination of the contractual arrangement ("Termination Agreement"). Pursuant to the Termination Agreement, the Group shall receive cash with an amount of RMB95,056 and commercial bills with a total face value of RMB160,944 (including those commercial bills redeemed during the year ended December 31, 2018 with a face value of

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4. OTHER FINANCIAL ASSETS (CONTINUED)

RMB40,387). No material gain or loss was arising from such termination. As of June 30, 2019, cash of RMB80,000 was received and an amount of RMB79,974 cash was received upon the maturities of certain commercial bills.

Subsequent to June 30, 2019 and up to the issuance of these interim condensed consolidated financial statements, an amount of RMB11,953 cash was received upon the maturities of certain commercial bills.

In addition, the balance of other receivables of RMB15,056 (Note 3) was fully settled in August 2019.

5. PROPERTY, EQUIPMENT AND SOFTWARE

Property, equipment and software consist of the following:

	As of December 31, 2018	As of June 30, 2019	
	RMB	RMB	US$ (Note 2.5)
Cost			
Laboratory equipment	20,796	22,060	3,213
Leasehold improvement	10,271	10,271	1,496
Software	3,632	4,061	592
Office furniture and equipment	1,350	1,352	197
Total property, equipment and software	36,049	37,744	5,498
Less: accumulated depreciation and amortization	(8,390)	(12,848)	(1,871)
Net book value	27,659	24,896	3,627
Construction-in-progress	—	222	32
Total net book value of property, equipment and software	27,659	25,118	3,659

The total amounts charged to the interim condensed consolidated statements of comprehensive loss for depreciation and amortization expenses amounted to approximately RMB1.4 million and RMB4.5 million for the six months ended June 30, 2018 and 2019, respectively.

6. LEASES

As of June 30, 2019, the Company has operating leases recorded on its balance sheet for certain office spaces and facilities that expire on various dates through 2027. The Group does not plan to cancel the existing lease agreements for its existing facilities prior to their respective expiration dates. When determining the lease term, the Group includes options to extend or terminate the lease when it is reasonably certain that it will exercise that option, if any. All of the Group’s leases qualify as operating leases.

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6. LEASES (CONTINUED)

Information related to operating leases as of June 30, 2019 and upon adoption of ASC 842 on January 1, 2019 is as follows (in thousands, except for percentages and years).

	As of June 30, 2019	
	RMB	US$ (Note 2.5)
Assets		
Operating lease right-of-use assets	14,383	2,095
Liabilities		
Operating lease liabilities, current	5,532	806
Operating lease liabilities, non-current	6,536	952
Weighted average remaining lease term (years)	2.7	2.7
Weighted average discount rate	5%	5%

Information related to operating lease activity during the six months ended June 30, 2019 is as follows:

	For the six months ended June 30, 2019	
	RMB	US$ (Note 2.5)
Operating lease right-of-use assets obtained in exchange for lease obligations	2,952	430
Operating lease rental expense		
Amortization of right-of-use assets	2,526	368
Expense for short-term leases within 12 months	374	55
Interest of lease liabilities	262	38
	3,162	461
Operating lease payments	3,336	486

Future annual minimum lease payments for operating leases as of December 31, 2018 under ASC 840 were as follows:

	Operating Leases	
	RMB	US$ (Note 2.5)
2019	5,754	838
2020	5,274	768
2021	3,511	511
2022	60	9
2023	60	9
Thereafter	276	40
Total	**14,935**	**2,175**

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6. LEASES (CONTINUED)

Maturities of lease liabilities were as follows:

	As of June 30, 2019	
	RMB	US$ (Note 2.5)
Remaining 2019	3,210	468
2020	6,061	883
2021	3,948	575
2022	355	52
2023	60	9
Thereafter	241	34
Total undiscounted lease payments	13,875	2,021
Less: imputed interest	(1,807)	(263)
Total lease liabilities	**12,068**	**1,758**

7. INTANGIBLE ASSETS

Intangible assets as of December 31, 2018 and June 30, 2019 are summarized as follows:

	As of December 31, 2018	As of June 30, 2019	
	RMB	RMB	US$ (Note 2.5)
Cost			
IPR&D	148,844	148,844	21,682
Less: accumulated amortization	—	—	—
Net book value	148,844	148,844	21,682

IPR&D represents the fair value assigned to research and development assets that the Group acquired from business combination of Tasgen Group in 2017 and had not reached technological feasibility at the date of acquisition. Upon commercialization, the Group will determine the estimated useful life and amortize these amounts based upon an economic consumption method. As of December 31, 2018 and June 30, 2019, there was no impairment of the value of the Group's intangible assets.

8. GOODWILL

The goodwill of RMB162,574 (US$23,682) as of December 31, 2018 and June 30, 2019 represented the goodwill generated from the acquisition of Tasgen Group in 2017. The business of Tasgen Group was fully integrated into the Company post acquisition. As of December 31, 2018 and June 30, 2019, the Group performed a qualitative assessment by evaluating relevant events and circumstances that would affect the Group's single reporting unit and did not note any indicator that it is more likely than not that the fair value of the Group's reporting unit is less than its carrying amount and therefore the Group's goodwill was not impaired.

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9. SHORT-TERM BORROWINGS

In July 2018, I-Mab Bio-tech (Tianjin) Co., Ltd. borrowed a loan of RMB80,000 from China Merchant Bank Co., Ltd. for a term of one year and at the interest rate of 4.20% per annum. To facilitate this borrowing, another subsidiary of the Company in Hong Kong placed cash deposits of US$13,500 (equivalent to approximately RMB92,653) with the bank. The use of such cash deposits and the interest earned thereon are restricted by the bank during the period of the borrowing. The deposits have a one-year term and bear interest at 3.26% per annum. The borrowing was fully repaid during the six months ended June 30, 2019.

In June 2019, I-Mab Bio-tech (Tianjin) Co., Ltd. borrowed a loan of RMB50,000 from China Merchant Bank Co., Ltd. for a term of one year and at the interest rate of 4.15% per annum. To facilitate this borrowing, another subsidiary of the Company in Hong Kong placed cash deposits of US$8,000 (equivalent to approximately RMB54,998) with the bank. The use of such cash deposits and the interest earned thereon are restricted by the bank during the period of the borrowing. The deposits have a one-year term and bear interest at 2.63% per annum. The borrowing will be fully repaid in 2020.

10. ACCRUALS AND OTHER PAYABLES

	As of December 31, 2018	As of June 30, 2019	
	RMB	RMB	US$ (Note 2.5)
Staff salaries and welfare payables	18,869	12,869	1,875
Accrued external research and development activities related expenses	39,068	31,565	4,598
Accrued travelling expenses, office expenses and others	9,737	31,936	4,652
	67,674	76,370	11,125

11. INCOME TAXES

The Group has incurred net accumulated operating losses for income tax purposes since its inception. The Group believes that it is more likely than not that these net accumulated operating losses will not be utilized in the future. Therefore, the Group has provided full valuation allowances for the deferred tax assets as of December 31, 2018 and June 30, 2019.

12. ORDINARY SHARES

As of December 31, 2018 and June 30, 2019, 500,000,000 ordinary shares had been authorized by the Company. Each ordinary share is entitled to one vote. The holders of ordinary shares are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors of the Company.

13. CONVERTIBLE PREFERRED SHARES

On October 18, 2016, the Company issued 5,141,587 shares of Series A-1 and A-2 Preferred Shares with a consideration of US$11,282 (equivalent to approximately RMB74,742). In connection with the Series A-1 and A-2 Preferred Shares issuance, the Company also issued 2,246,744 warrant to purchase its Series A-3 Preferred Shares (Series A-3 Warrants and see Note 15).

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13. CONVERTIBLE PREFERRED SHARES (CONTINUED)

On September 6, 2017, in connection with the Group's acquisition of Tasgen Group, the Company issued 16,723,646 shares of series A-3 Preferred Shares at a price of US$2.55 per share with a total consideration of US$42,645 (equivalent to approximately RMB289,024).

Series A-1 Preferred Shares, Series A-2 Preferred Shares and Series A-3 Preferred Shares are also referred to as Series A Preferred Shares.

On September 22, 2017, the Company issued 15,894,594 shares of Series B Preferred Shares with a consideration of US$52,546 (equivalent to approximately RMB346,515). In connection with the Series B Preferred Shares issuance, the Company also issued convertible promissory notes that are convertible into Series B-1 Preferred Shares (2017 Note and see Notes 14) and 5,633,780 warrants to purchase its Series B-2 Preferred Shares ("Series B Warrant" and see Note 15).

Concurrently with the Company's issuance of Series B Preferred Shares, the Company also completed a round of onshore financing with respect to the Group's subsidiary I-MAB Tianjin ("Series B Onshore Financing"). Series B Onshore Financing comprised 1) capital injection to I-Mab Tianjin by a number of investors ("Series B Onshore Investors") (see Note 14), 2) I-Mab Tianjin's issuance of convertible loans ("Onshore Convertible Loans" and see Note 14), and 3) the Company's issuance of 2,620,842 warrants to purchase its Series B-2 Preferred Shares ("Series B Warrants" and see Note 15).

On June 29, 2018, the Company issued total 8,361,823 shares of Series A-3 Preferred Shares upon exercise of Series A-3 Option held by its holder.

On June 29, 2018, the Company issued 2,535,201 shares of Series B-1 Preferred Shares upon conversion of 2017 Notes and issued 2,253,512 shares of Series B-2 Preferred Shares upon exercise of Series B Warrant by Series B preferred shareholders.

On June 29, 2018, the Company issued 5,938,640 shares of Series B-1 Preferred Shares upon exercise of the Series B Option held by a Series B Onshore Investor and issued 947,218 shares of Series B-1 Preferred Shares upon conversion of Onshore Convertible Loans by a Series B Onshore Investor (see Note 14), respectively.

On July 6, 2018, the Company issued 1,455,549 shares of Series B-1 Preferred Shares upon exercise of the Series B Option held by a Series B Onshore Investor, issued 232,161 shares of Series B-1 Preferred Shares upon conversion of Onshore Convertible Loans by a Series B Onshore Investor (see Note 14) and issued 1,048,337 shares of Series B-2 Preferred Shares upon exercise of Series B Warrant by Series B Onshore Investors, respectively.

Series B Preferred Shares, Series B-1 Preferred Shares and Series B-2 Preferred Shares are also referred to as Series B Preferred Shares.

On July 6, 2018, the Company issued 31,046,360 shares of Series C Preferred Shares at a price of US$6.4419 per share with a total consideration of US$200,000 (equivalent to approximately RMB1,323,363). In connection with the offering of the Series C Preferred Shares, the Company incurred issuance costs of RMB16,730.

Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares are collectively referred to as Preferred Shares.

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13. CONVERTIBLE PREFERRED SHARES (CONTINUED)

Key terms of the Preferred Shares are summarized as follows:

Dividends

The holders of Preferred Shares are entitled to receive dividends, out of any assets legally available therefore, prior and in preference to any declaration or payment of any dividend on the ordinary shares or any other class or series of shares of the Group at the rate of eight percent (8%) of the original issue price per share per annum on each Preferred Share, payable in US$ and annually when, as and if declared by the Board of Directors. Such distributions shall not be cumulative. No dividend, whether in cash, in property or in shares of the capital of the Group, shall be paid on or declared and set aside for any ordinary shares or any other class or series of shares of the Group unless and until all dividends have been paid in full on the Preferred Shares (on an as-converted basis).

Conversion

Each Preferred Share may be converted at any time into ordinary shares at the option of the preferred shares holders at the then applicable conversion price. The initial conversion ratio is 1:1, subject to adjustment in the event of (i) share splits, share combinations, share dividends or distribution, other dividends, recapitalizations and similar events, or (ii) issuance of ordinary shares (excluding certain events such as issuance of ordinary shares pursuant to a public offering) at a price per share less than the conversion price in effect on the date of or immediately prior to such issuance.

The Preferred Shares shall be automatically converted into ordinary shares immediately upon the closing of a public offering of the Company's shares with an offering price (exclusive of underwriting commissions and expenses) that reflects a market capitalization (immediately prior to the public offering) of not less than US$1,000,000,000 (the "Qualified Public Offering").

The Group determined that there were no beneficial conversion features ("BCF") identified for any of the Preferred Shares during any of the periods. In making this determination, the Company compared the fair value of the ordinary shares into which the Preferred Shares are convertible with the respective effective conversion price at the issuance date. In all instances, the effective conversion price was greater than the fair value of the ordinary shares. To the extent a conversion price adjustment occurs, as described above, the Group will reevaluate whether or not a beneficial conversion feature should be recognized.

Liquidation

In the event of any liquidation (unless waived by the preferred shareholders) including deemed liquidation, dissolution or winding up of the Company, holders of the Preferred Shares shall be entitled to receive a per share amount equal to one hundred percent (100%) of the original issue price on each Preferred Share, plus an amount representing an internal rate of return of twelve percent (12%) per annum on the original issue price as adjusted for share dividends, share splits, combinations, recapitalizations or similar events, plus all accrued and declared but unpaid dividends thereon, in the sequence of Series C Preferred Shares, Series B Preferred Shares and Series A Preferred Shares. After such liquidation amounts have been paid in full, any remaining funds or assets of the Company legally available for distribution to shareholders shall be distributed on a pro rata basis among the holders of the Preferred Shares, on an as-converted basis, together with the holders of the ordinary shares.

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13. CONVERTIBLE PREFERRED SHARES (CONTINUED)

Accounting of preferred shares

The Preferred Shares are redeemable by the holders upon a liquidation event, including a deemed liquidation event (e.g., change in control), and as such are presented as mezzanine equity on the consolidated balance sheets. In accordance with ASC 480-10-S99, each issuance of the convertible preferred shares should be recognized at the date of issuance after deducting fair value allocated to the detachable warrants and issuance costs.

The Company assesses whether an amendment to the terms of its convertible preferred shares is an extinguishment or a modification using the fair value model. When convertible preferred shares are extinguished, the difference between the fair value of the consideration transferred to the convertible preferred shareholders and the carrying amount of the convertible preferred shares (net of issuance costs) is treated as deemed dividends to the preferred shareholders. The Company considers that a significant change in fair value after the change of the terms to be substantive and thus triggers extinguishment. A change in fair value which is not significant immediately after the change of the terms is considered non-substantive and thus is subject to modification accounting.

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13. CONVERTIBLE PREFERRED SHARES (CONTINUED)

Accounting of preferred shares (continued)

The Company's convertible preferred shares activities for the six months ended June 30, 2018 and 2019 are summarized below:

	Series A Preferred Shares			Series B Preferred Shares			Series C Preferred Shares		
	Number of shares	Amount US$	Amount RMB	Number of shares	Amount US$	Amount RMB	Number of shares	Amount US$	Amount RMB
Balance as of January 1, 2018	21,865,233	53,927	363,766	15,894,594	52,546	346,515	—	—	—
Issuance of Series A Preferred Shares upon exercise of Series A-3 Option	8,361,823	48,925	323,716	—	—	—	—	—	—
Issuance of Series B Preferred Shares upon exercise of Series-B Option	—	—	—	5,938,640	35,405	234,259	—	—	—
Issuance of Series B Preferred Shares upon conversion of 2017 Notes	—	—	—	2,535,201	15,401	101,906	—	—	—
Issuance of Series B Preferred Shares upon conversion of Onshore Convertible Loans	—	—	—	947,218	5,754	38,075	—	—	—
Issuance of Series B Preferred Shares upon exercise of Tranche I of Series B Warrants	—	—	—	2,253,512	13,795	91,276	—	—	—
Balance as of June 30, 2018	30,227,056	102,852	687,482	27,569,165	122,901	812,031	—	—	—
Balance as of January 1, 2019 and as of June 30, 2019	30,227,056	102,852	687,482	30,305,212	139,407	921,243	31,046,360	197,478	1,306,633

14. CONVERTIBLE PROMISSORY NOTES AND ONSHORE CONVERTIBLE LOANS

2017 Notes

On September 25, 2017, the Company issued US$11,520 convertible promissory notes ("2017 Notes") to investors of Series B Preferred Shares (see Note 13) at a compound interest rate of 8% per annum, maturing on 36 months after the issuance date. Under the agreement, the holder of the 2017 Notes may convert the outstanding principal amount into Series B-1 Preferred Shares at the conversion price of US$5.38 per share or a lower price as may be agreed by the investors and the Company at any time from six months prior to the maturity date and prior to the repayment in full of the 2017 Note. No interest shall be accrued if the 2017 Notes have been converted into Series B-1 Preferred Shares.

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14. CONVERTIBLE PROMISSORY NOTES AND ONSHORE CONVERTIBLE LOANS (CONTINUED)

2017 Notes (continued)

As the fair value of the Company's ordinary shares on September 25, 2017 was lower than the effective conversion price of US$5.38, the Company did not record a BCF.

On June 29, 2018, the Company's 2017 Notes were converted into the Company's 2,535,201 Series B-1 Preferred Shares at the nominal conversion price of US$5.38 per share.

2018 Notes

On February 3, 2018, the Company issued US$9,000 (equivalent to approximately RMB59,704) convertible promissory notes ("2018 Notes") to an investor of Series A-3 Preferred Shares at an annual interest rate of 0%, maturing on 36 months after the issuance date. Under the agreement, the holder of the 2018 Notes may convert the 2018 Notes outstanding principal amount into Series B-1 Preferred Shares at the conversion price being lower of US$10 per share and fair market value at any time prior to the maturity date. Alternatively, the 2018 Notes shall be automatically converted into the Company's Series B Preferred Shares upon the maturity. As the fair value of the Company's ordinary shares on February 3, 2018 of US$3.96 was equal to the effective conversion price (being lower of US$10 per share and fair market value), the Company did not record a BCF.

Onshore Convertible Loans

On September 25, 2017, I-Mab Tianjin issued a US$5,359 convertible loan to Series B Onshore Investors at a compound interest rate of 8% per annum, maturing on 36 months after the issuance date. Under the agreement, the holder of the Onshore Convertible Loans may convert the outstanding principal amount into I-Mab Tianjin's equity interest a stipulated conversion price at any time from six months prior to the maturity date and prior to the repayment in full of the Onshore Convertible Loans. No interest shall be accrued if the Onshore Convertible Loans have been converted into I-Mab Tianjin's equity interest. As the fair value of the I-Mab Tianjin's ordinary shares on September 25, 2017 was lower than the effective conversion price of US$4.31, the Company did not record a BCF.

In June and July 2018, the Company reached agreements with holders of Onshore Convertible Loans and the principal amount of Onshore Convertible Loans were then effectively converted into 1,179,379 Series B-1 Preferred Shares of the Company and the accrued interests were waived, resulting in an extinguishment loss of RMB8,548.

15. WARRANTS

In connection with the issuance of the Series A-1 and A-2 Preferred Shares on October 18, 2016, 2,246,744 Series A-3 Warrants were issued to Series A-1 and A-2 preferred shareholders, which provided the holder the right to purchase Series A-3 Preferred Shares. The Series A-3 Warrants were later terminated on September 6, 2017 without being exercised.

In connection with the issuance of the Series B Preferred Shares on September 22, 2017, 5,633,780 Series B Warrants were issued to Series B preferred shareholders, which provided the holders the right to purchase Series B-2 Preferred Shares.

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15. WARRANTS (CONTINUED)

In connection with the Company's Series B Onshore Financing that took place on September 25, 2017, 2,620,842 Series B Warrants were issued to Series B Onshore Investors, which provided the holders the right to purchase Series B-2 Preferred Shares.

During the period from June 29, 2018 to July 6, 2018, 3,301,849 Series B Warrants (representing Tranche I of Series B Warrants) were exercised to purchase 3,301,849 Series B-2 Preferred Shares with proceeds of US$20,000 (equivalent to approximately RMB132,332).

On July 6, 2018, the Series B Warrants holders agreed that the Series B Warrants shall be divided into two tranches and exercisable in accordance with different time schedules, such that: (i) the holders have exercised part of the Series B Warrants in the total consideration of US$20,000 ("Tranche I of Series B Warrants") and 3,301,849 Series B-2 Preferred Shares of the Company in aggregate have been newly issued to such holders on a pro rata basis; (ii) only when the Company fails to submit a Qualified Public Offering application at an internationally recognized securities exchange by March 31, 2019, the Warrant Holders may exercise the remaining part of Series B Warrants, in the total consideration of US$30,000 ("Tranche II of Series B Warrants") and 4,952,773 Series B-2 Preferred Shares of the Company in aggregate will be issued to such holders on a pro rata basis; (iii) provided that the Company successfully submits a Qualified Public Offering application at an internationally recognized securities exchange by March 31, 2019, the holders shall unconditionally and irrevocably waive and cancel Tranche II of Series B Warrants; and (iv) the Tranche II of Series B Warrants may only be concurrently exercised by all the Warrant Holders in one lump. This is considered to be a modification to Series B Warrants.

According to the confirmations issued by the Company's Series B Warrants holders in July 2019, the holders of Series B Warrants has unconditionally and irrevocably waived and cancelled the Tranche II of Series B Warrants.

Accounting of warrants

The warrant is a freestanding instrument and is recorded as liability in accordance with ASC 480, *Distinguishing Liabilities from Equity*.

As the Company's issuance of warrants were bundled with other instruments (such as convertible preferred shares, convertible promissory notes, etc.), out of total considerations, the warrants are initially recognized at fair value and the remaining were allocated to other instruments on a relative fair value basis (if applicable). The fair value changes of the warrants (including the fair value changes arising from modification of warrants) up to the time of exercise or termination were recognized in earnings. Upon exercise, the total carrying value of the associated warrant liabilities was reclassified into the carrying value of the Preferred Shares into which it was converted.

The Company determined the fair value of the warrants with the assistance of an independent third party valuation firm.

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15. WARRANTS (CONTINUED)

Accounting of warrants (continued)

The Group has measured the warrant liabilities at fair values on a recurring basis using significant unobservable inputs (Level 3) for the six months ended June 30, 2018 and 2019. The Group used the binomial model to estimate the fair value of warrant liabilities using the following assumptions:

	As of December 31, 2018	As of June 30, 2019
Risk-free rate of return	2.49%	1.90%
Maturity date	September 25, 2019	September 25, 2019
Estimated volatility rate	50.9%	55.3%
Exercise price	US$6.06	US$6.06
Fair value of underlying convertible preferred shares	US$6.91	US$7.24

The model requires the input of highly subjective assumptions including the risk-free rate of return, maturity date, estimated volatility rate and fair value of underlying preferred shares. The risk-free rate for periods within the contractual life is based on the US treasury strip bond with maturity similar to the maturity of the warrants as of valuation dates plus a China country risk premium. For expected volatilities, the Group has made reference to the historical daily stock prices volatilities of ordinary shares of several comparable companies in the same industry as the Group. The estimated fair value of the preferred shares was determined with assistance from an independent third party valuation firm. The Group's management is ultimately responsible for the determination of the estimated fair value of its preferred shares.

The significant unobservable inputs used in the fair value measurement of the warrant liabilities include risk-free rate of return, interval between valuation date and maturity date, estimated volatility rate and fair value of underlying preferred shares. Significant decreases in interval between valuation date and maturity date, estimated volatility rate and fair value of underlying preferred shares would result in a significantly lower fair value measurement. Significant increases in risk-free rate of return would result in a significantly lower fair value measurement.

16. REDEEMABLE NON-CONTROLLING INTERESTS

In connection with the Company's acquisition of Tasgen Group on September 6, 2017, the Company also entered into an option agreement with the third party investor of I-Mab Tianjin, pursuant to which the Company granted the third party investor an option to subscribe for certain number of Series A-3 Preferred Shares of the Company at a price that stipulated in the agreement, and at the same time, the third party investor transferred its equity interests in I-Mab Tianjian to the Company at the same price ("Series A-3 Option"). This Series A-3 can be exercised at any time at the holder's own discretion or upon the request of the Company if the shareholders of the Company approves an initial public offering. In addition, in the event that the exercise of Series A-3 Option has not been completed within 6 months after the option holder delivers the share purchase option notice, the Company shall purchase the third party investor's equity interest in I-Mab Tianjian and the Series A-3 Option at a price that stipulated in the agreement.

Concurrently with the Company's issuance of Series B Preferred Shares (see Note 13), on September 25, 2017, the Group's subsidiary I-MAB Tianjin entered into a capital increase subscription agreement with Series B Onshore Investors, pursuant to which Series B Onshore Investors subscribed for additional equity in I-MAB

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16. REDEEMABLE NON-CONTROLLING INTERESTS (CONTINUED)

Tianjin of US$24,444 (equivalent to approximately RMB161,196). On September 25, 2017 and in tandem with the aforementioned I-Mab Tianjin's capital increase subscription agreement, the Company also entered into option agreements with Series B Onshore Investors, pursuant to which the Company granted Series B Onshore Investors options to subscribe for certain numbers of Series B-1 Preferred Shares of the Company at a price that stipulated in the agreements, and at the same time, the Series B Onshore Investors shall transfer their equity interests in I-Mab Tianjian to the Company at the same price ("Series B Option"). The Series B Option can be exercised at any time at the holders' own discretion or upon the request of the Company if the shareholders of the Company approve an initial public offering. In addition, in the event that the exercise of Series B Option has not been completed within 6 months after the option holders deliver the share purchase option notice, the Company shall purchase the third party investor's equity interest in I-Mab Tianjian and the Series B Option at a price that stipulated in the agreements.

Based on the accounting assessments, the Company considers that the aforementioned Series A-3 and Series B Options are embedded features of the non-controlling interests that are not required to be bifurcated. Since the aforementioned non-controlling interests in I-Mab Tianjin are redeemable at a determinable price, upon occurrence of an event that is not solely within the control of I-Mab Tianjian, the aforementioned non-controlling interests in I-Mab Tianjin are accounted for as redeemable non-controlling interests in the Group's interim condensed consolidated balance sheets. Subsequently, the redeemable non-controlling interests should be carried at the higher of (1) the carrying amount after the attribution of net income of the Company and (2) the expected redemption value.

The Series A-3 Option and Series B Option were exercised by respective holders on June 29, 2018 and July 6, 2018 to acquire 8,361,823 Series A-3 Preferred Shares and 7,394,189 Series B Preferred Shares, respectively. The transactions were accounted for as equity transactions, and the differences between the carrying amount of redeemable non-controlling interests of RMB305,708 and the fair value of convertible preferred shares of RMB615,393 that issued was recognized in additional paid-in capital.

The Group's redeemable non-controlling interest activities for the six months ended June 30, 2018 and 2019 is summarized as follows:

	Six months ended June 30,		
	2018	2019	
	RMB	RMB	US$ (Note 2.5)
Beginning balance	305,708	—	—
Exercise of Series A-3 Option	(144,512)	—	—
Exercise of Series B Option	(129,464)	—	—
Series B Preferred Shares to be issued (Note)	(31,732)	—	—
Ending balance	—	—	—

Note: As of June 30, 2018, I-Mab Hong Kong had acquired Qianhai Fund's equity interest in I-Mab Tianjin but had yet to issue 1,455,549 shares to Qianhai Fund in order to complete Qianhai Fund's exercise of its Series B Option, which was subsequently completed on July 6, 2018 (see Note 13).

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17. SHARE-BASED COMPENSATION

(a) Restricted shares

During the year ended December 31, 2016, the Company issued 4,019,554 ordinary shares to Mr. Zang Jingwu Zhang, Ms. Qian Lili, Mr. Wang Zhengyi and Mr. Fang Lei (collectively the "Founders"), including the 369,301 shares which represented the equity interests of Third Venture held by the Founders, and the Company recorded share-based compensation expense of RMB18.7 million for issuance and grant of 3,650,253 ordinary shares to the Founders in June 2016.

In October 2016, the Founders entered into an arrangement with other investors of the Company, and the 87,441 ordinary shares issued to the Founders in June 2016 were canceled and out of the remaining 3,932,113 ordinary shares held by the Founders, 70% became restricted and subject to service vesting conditions, that should vest 20%, 20% and 30% over the next three years, respectively. There shall be no acceleration of the vesting schedule except that, in case of a change of control of the Company or a Qualified Public Offering, or the termination of the Founder's employment with the Group without cause.

Deferred share-based compensation was measured for the restricted shares using the estimated fair value of the Company's ordinary shares of US$0.77 at the date of imposition of the restriction in October 2016, and was amortized to the interim condensed consolidated statements of comprehensive loss by using graded vesting method over the vesting term of 3 years.

The following table summarizes the Group's Founders' restricted shares activities:

	Numbers of shares	Weighted-average grant date fair value
Outstanding at December 31, 2017 and June 30, 2018	1,966,056	0.77
Outstanding at December 31, 2018 and June 30, 2019	1,179,633	0.77

The amounts of shared-based compensation expense in relation to the restricted shares recognized in the six months ended June 30, 2018 and 2019 were RMB1,929 and RMB1,026, respectively.

Share-based compensation expenses related to restricted shares were included in:

	Six months ended June 30,		
	2018	2019	
	RMB	RMB	US$ (Note 2.5)
Research and development expenses	579	308	45
Administrative expenses	1,350	718	104
	1,929	1,026	149

(b) 2017 Employee Stock Option Plan ("2017 Plan")

In October 2017, the Company adopted the 2017 Plan. Under the 2017 Plan, a maximum aggregate number of 13,376,865 shares that may be issued pursuant to all awards granted was approved. Stock options granted to an employee under the 2017 Plan will be exercisable upon the Company completes a listing and the employee

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17. SHARE-BASED COMPENSATION (CONTINUED)

(b) 2017 Employee Stock Option Plan ("2017 Plan") (continued)

renders service to the Company in accordance with a stipulated service schedule starting from the employee's date of employment. Employees are generally subject to a three-year service schedule, under which an employee earns an entitlement to vest in 50% of the option grants on the second anniversary of the grant date, a vesting of the remaining 50% on the third anniversary of the applicable grant date. The stock option under 2017 Plan, to the extent then vested, shall become exercisable only upon the earlier of (i) a listing, and (ii) occurrence of a change in control.

The Group granted 305,000 stock options to employees, all with an exercise price of US$1, for the six months ended June 30, 2018. The Group did not grant any stock options to employees for the six months ended June 30, 2019. No options are exercisable as of December 31, 2018 and June 30, 2019 and prior to the Group completes a listing.

The following table sets forth the stock options activities of 2017 Plan for the six months ended June 30, 2018 and 2019:

	Number of shares	Weighted average exercise price US$	Weighted average remaining contractual term	Aggregate intrinsic value US$
Outstanding as of December 31, 2017	11,761,596	1.00	8.50	4,890
Granted	1,470,000	1.00	—	—
Forfeited	(226,000)	1.00	—	—
Outstanding as of December 31, 2018	13,005,596	1.00	8.61	10,129
Forfeited	(266,000)	1.00	—	—
Repurchased (Note 17(d))	(3,435,215)	1.00	—	—
Outstanding as of June 30, 2019	9,304,381	1.00	7.94	8,377
Exercisable as of June 30, 2019	—	—	—	—

Stock options granted to the employees were measured at fair value on the dates of grant using the Binomial Option Pricing Model with the following assumptions:

	Six months ended June 30,	
	2018	2019
Expected volatility	61.54%-62.13%	N/A
Risk-free interest rate (per annum)	2.81%-2.92%	N/A
Exercise multiple	2.80	N/A
Expected dividend yield	—	N/A
Contractual term (in years)	10	N/A

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Group's options. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US$ for a term consistent with the expected term

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17. SHARE-BASED COMPENSATION (CONTINUED)

(b) 2017 Employee Stock Option Plan ("2017 Plan") (continued)

of the Group's options in effect at the option valuation date. The expected exercise multiple was estimated as the average ratio of the stock price to the exercise price when employees would decide to voluntarily exercise their vested options. As the Group did not have sufficient information of past employee exercise history, it was estimated by referencing to a widely-accepted academic research publication. Expected dividend yield is zero as the Group has never declared or paid any cash dividends on its shares, and the Group does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the option.

There were no stock options granted to employees for the six months ended June 30, 2019. Since the exercisability is dependent upon the listing, and it is not probable that this performance condition can be achieved until a listing, no share-based compensation expense relating to the 2017 Plan was recorded for the six months ended June 30, 2018 and 2019. The Group will recognize compensation expenses relating to options vested cumulatively upon the completion of the Company's listing.

As of June 30, 2018 and 2019, the Company concluded that the performance condition described above for the options was not probable of being satisfied at such time. As a result, the Company did not recognize any compensation cost during the six months ended June 30, 2018 and 2019 for the options granted under the 2017 plan.

(c) 2018 Employee Stock Option Plan ("2018 Plan")

On February 22, 2019, the Group adopted the 2018 Plan. Under 2018 Plan, the maximum aggregate number of ordinary shares which may be issued pursuant to all awards is 14,005,745, subject to further amendment. If the Group successfully lists on an internationally recognized securities exchange for a Qualified Public Offering by December 31, 2019, the maximum aggregate number of ordinary shares which may be issued shall be 15,452,620.

Stock options granted to an employee under the 2018 Plan will be generally exercisable when the Company completes a listing and the employee renders service to the Company in accordance with a stipulated service schedule starting from the employee's date of employment. The vesting schedule shall generally be a two-year vesting schedule consisting of a cliff vesting 50% on the first anniversary of the applicable vesting commencement date, and a vesting of the remaining 50% on the second anniversary of the applicable vesting commencement date. If a listing occurs at anytime prior to any option granted under the 2018 Plan becoming full vested, and to the extent such option has been granted and outstanding, any such option shall vest in full with immediate effect upon the listing. Except as otherwise approved by the board of directors, vested portion of option shall become exercisable upon the earlier of six months after a listing or the occurrence of a change in control; provided, however that in each case, no option of an employee shall become exercisable until the third anniversary of such employee's employment commencement date.

Pursuant to the Board of Director's approval of 2018 Plan on February 22, 2019, the 10,893,028 stock options granted to a director of the Group under 2018 Plan were fully vested and exercisable upon the adoption of 2018 Plan. Out of aforementioned total 10,893,028 stock options, 454,940 stock options were repurchased by the Group (see Note 17(d) for further details).

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17. SHARE-BASED COMPENSATION (CONTINUED)

(c) 2018 Employee Stock Option Plan ("2018 Plan") (continued)

The amounts of shared-based compensation expense in relation to the stock options (except for those repurchased by the Group as described in Note 17(d)) recognized in the six months ended June 30, 2019 was RMB365,330, included in administrative expenses.

The following table sets forth the stock options activities of 2018 plan for the six months ended June 30, 2019:

	Number of shares	Weighted average exercise price US$	Weighted average remaining contractual term	Aggregate intrinsic value US$
Outstanding as of January 1, 2019	—	—	—	—
Granted	10,893,028	1.00	—	—
Repurchased (Note 17 (d))	(454,940)	1.00	—	—
Outstanding as of June 30, 2019	10,438,088	1.00	9.66	42,207
Exercisable as of June 30, 2019	10,438,088	1.00	9.66	42,207

Stock options granted to a director of the Group were measured at fair value on the dates of grant using the Binomial Option Pricing Model with the following assumptions:

	Six months ended June 30, 2019
Expected volatility	56.307%
Risk-free interest rate (per annum)	2.752%
Exercise multiple	2.80
Expected dividend yield	—
Contractual term (in years)	10

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Group's options. The risk-free interest rate was estimated based on the yield to maturity of U.S. treasury bonds denominated in US$ for a term consistent with the expected term of the Group's options in effect at the option valuation date. The expected exercise multiple was estimated as the average ratio of the stock price to the exercise price when employees would decide to voluntarily exercise their vested options. As the Group did not have sufficient information of past employee exercise history, it was estimated by referencing to a widely-accepted academic research publication. Expected dividend yield is zero as the Group has never declared or paid any cash dividends on its shares, and the Group does not anticipate any dividend payments in the foreseeable future. Expected term is the contract life of the option.

(d) Repurchase of share awards held by a director

On February 22, 2019, the amendment and restated 2017 equity incentive plan was approved by the Board of Directors of the Group, pursuant to which only the 3,435,215 stock options held by a director of the Group under the 2017 equity incentive plan became fully vested and exercisable on February 22, 2019. As a result of the performance condition being waived, the shares held by a director of the Group were accounted for as a Type III

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17. SHARE-BASED COMPENSATION (CONTINUED)

(d) Repurchase of share awards held by a director (continued)

modification where a condition that the Group expects will not be satisfied is changed to a condition that the Group expects will be satisfied.

Additionally, on the same day, the Group repurchased such 3,435,215 stock options under the amendment and restated 2017 equity incentive plan that was held by a director of the Group along with 454,940 of his stock options under the 2018 equity incentive plan for which the share awards also became fully vested and exercisable, at a total consideration of US$21,902 (equivalent to approximately RMB148,308) at an average share price of US$5.63 per share.

The Group recorded the total payment of US$21,902 (equivalent to approximately RMB148,308) as share-based compensation costs (included in administrative expenses) in the interim condensed statement of comprehensive loss. There was no impact to the overall stockholder's equity balance as the amended shares vested immediately and were repurchased.

18. LICENSING AND COLLABORATION ARRANGEMENTS

The following is a description of the Group's significant licensing and collaboration agreements entered into for the six months ended June 30, 2018 and 2019.

A. In-Licensing Arrangements

Licensing Agreement with MorphoSys AG ("MorphoSys")

In November 2017, the Group entered into a license and collaboration agreement with MorphoSys, with respect to the development and commercialization of MOR202/TJ202, MorphoSys´s proprietary investigational antibody against CD38 (the "CD38 product").

Under this agreement, MorphoSys granted to the Group an exclusive, royalty-bearing, sublicensable license to exploit MOR202/TJ202 for any human therapeutic or diagnostic purpose in the licensed territory, namely mainland China, Hong Kong, Macau and Taiwan (collectively "Greater China").

Pursuant to this agreement, the Group granted to MorphoSys an exclusive license to its rights in any inventions that the Group make while exploiting the CD38 product under this agreement, solely to exploit the CD38 product outside of Greater China.

Pursuant to this agreement, the Group paid to MorphoSys an upfront license fee of US$20.0 million (equivalent to approximately RMB132.7 million). The Group also agreed to make milestone payments to MorphoSys, conditioned upon the achievement of certain development, regulatory and commercial milestones, in the aggregate amount of US$98.5 million (equivalent to approximately RMB653.5 million). Such milestones include first patient dosed in human clinical trials, marketing approval, and first annual net sales of CD38 products covered by the agreement in excess of a certain amount.

In addition, the Group is required to pay tiered low-double-digit royalties to MorphoSys on a country-by-country and product-by-product basis during the term, commencing with the first commercial sale of a relevant licensed product in Greater China. Unless terminated earlier in accordance with the terms thereof, this agreement will remain in effect until the expiration of the Group's last payment obligation under the agreement.

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18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

A. In-Licensing Arrangements (continued)

In 2017, the Group paid US$20.0 million (equivalent to approximately RMB132.7 million) upfront fee to MorphoSys, which was recorded as research and development expense in the consolidated statements of comprehensive loss. No additional payments were made in 2018. Due to the uncertainty involved in meeting these development and commercialization based targets, the Group evaluated and concluded that the remaining milestones are still not probable as of December 31, 2018. In March and April 2019, the project achieved the first and second milestone and the Group paid US$8.0 million (equivalent to approximately RMB54.9 million) of milestone fees to MorphoSys, which was recorded as research and development expense in the interim condensed consolidated statements of comprehensive loss.

Summarized financial information related to the above agreement is presented below:

	Six months ended June 30				As of June 30
	Research and Development Expense				
	Upfront Fees	Milestones	Extension/ Termination of agreements	Amortization of prepaid research and development	Intangible asset balance
2019	—	US$8,000	—	—	—
2018	—	—	—	—	—

Licensing Agreement with Genexine, Inc. (“Genexine”)

In December 2017, the Group entered into an intellectual property license agreement with Genexine with respect to GX-I7/TJ107, a long-acting IL-7 cytokine. Under this agreement, the Group obtained an exclusive, sublicensable and transferable license to use and otherwise exploit certain intellectual property in connection with the pre-clinical and clinical development, manufacturing, sale and distribution of GX-I7 to treat cancer in Greater China.

Under the terms of the agreement, the Group made an upfront payment of US$12.0 million (equivalent to approximately RMB79.6 million) to Genexine which was recorded as a research and development expense in January 2018. The Group also agreed to make milestone payments in the aggregate amount of US$23.0 million (equivalent to approximately RMB152.6 million), conditioned upon the achievement of certain development milestones, including completion of Phase 2 and Phase 3 clinical studies and new drug application (“NDA”) or biologic license application (“BLA”) approval in Greater China.

Further, the Group agreed to make milestone payments in the aggregate amount of US$525.0 million (equivalent to approximately RMB3,482.7 million), conditioned upon the achievement of certain cumulative net sales of GX-*I7* up to US$2,000 million. The Group also is required to pay Genexine a low-single-digit percentage royalty in respect of the total annual net sales of GX-I7. The aforesaid milestones and royalties (other than the upfront payment) will be reduced by 50% following the entry of a generic version of GX-I7 in China, Hong Kong, Macau and Taiwan without the consent or authorization of the Group or any of the Group’s sublicensees.

Unless terminated earlier in accordance with the terms thereof, this agreement will remain in effect until the later of (i) the expiry of the last to expire patent of the licensed intellectual property that includes a valid claim for

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18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

A. In-Licensing Arrangements (continued)

Greater China and that covers the composition of GX-I7; and (ii) 15 years from the date of the first commercial sale of GX-I7.

No additional payments to Genexine were made in the six months ended June 30, 2019. Due to the uncertainty involved in meeting these development and commercialization based targets, the Group evaluated and concluded that the remaining milestones are still not probable as of December 31, 2018 and June 30, 2019.

Summarized financial information related to the above agreement is presented below:

	Six months ended June 30				As of June 30
	Research and Development Expense				
	Upfront Fees	Milestones	Extension/ Termination of agreements	Amortization of prepaid research and development	Intangible asset balance
2019	—	—	—	—	—
2018	US$12,000	—	—	—	—

Licensing Agreement with MorphoSys

In November 2018, the Group entered into a license and collaboration agreement with MorphoSys for MorphoSys´s proprietary antibody (MOR210/TJ210) directed against C5aR (the “C5aR Agreement”). Under this agreement, the Group obtained an exclusive, royalty-bearing license to explore, develop and commercialize certain anti-C5aR antibodies in Greater China and South Korea.

The Group will perform and fund all global development activities related to the development of MOR210/TJ210 in Greater China and South Korea, including all relevant clinical trials (including in the U.S. and China) and all development activities required for IND filing in the US as well as CMC development of manufacturing processes. MorphoSys retains rights in respect of development and commercialization of MOR210/TJ210 in the rest of the world.

Under the terms of the agreement, the Group also agreed to make milestone payments conditional upon the achievement of certain development milestones and certain annual net sales of anti-C5aR antibodies. The Group is also required to pay to MorphoSys tiered mid-single-digit royalties on annual net sales of anti-C5aR antibody products within the licensed territory.

In 2018 the Group paid US$3.5 million (equivalent to approximately RMB23.2 million) upfront fee to MorphoSys, which was recorded as research and development expense in the interim condensed consolidated statements of comprehensive loss. No additional payments were made in the six months ended in June 30, 2019. Due to the uncertainty involved in meeting these development and commercialization based targets, the Group evaluated and concluded that the remaining milestones are still not probable as of December 31, 2018 and as of June 30, 2019.

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18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

A. In-Licensing Arrangements (continued)

Other In-Licensing Arrangements

In addition to the above arrangements, the Group has entered into other various in-licensing and collaboration agreements with third party licensors to develop and commercialize drug candidates. Based on the terms of these agreements the Group is contingently obligated to make additional material payments upon the achievement of certain contractually defined milestones. The Group did not make any upfront or milestone payment under these agreements for the six months ended June 30, 2018, and made US$0.2 million (equivalent to approximately RMB1.4 million) during the six months ended June 30, 2019. Under the terms of the agreements, the licensors are eligible to receive from the Group up to an aggregate of approximately US$164.1 million (equivalent to approximately RMB1,088.6 million) in milestone payments upon the achievement of contractually specified development milestones, such as regulatory approval for the drug candidates, which may be before the Group has commercialized the drug or received any revenue from sales of such drug candidate, which may never occur.

B. Out-Licensing and collaboration Arrangements

Licensing Agreement among HDYM, I-Mab and Hangzhou HealSun Biopharm Co., Ltd. (“HealSun”)

In April 2017, one of the Company’s subsidiaries, I-Mab Shanghai, entered into a technology transfer agreement with HDYM and HealSun with respect to anti-PD-L1 humanized monoclonal antibodies. Under the agreement, I-Mab Shanghai agreed to grant to HDYM exclusive, worldwide and sublicensable rights to develop, manufacture, have manufactured, use, sell, have sold, import, or otherwise exploit certain PD-L1 related patents, patent applications, know-hows, data and information of I-Mab Shanghai, relevant cell lines as well as any anti-PD-L1 monoclonal antibody arising from such cell lines for the treatment of diseases. Further, I-Mab Shanghai and its cooperative party, HealSun agreed to provide subsequent research and development services on such intellectual property to HDYM, including the selection and examination of innovative anti-PD-L1 humanized monoclonal antibodies, cultivation and selection of stable cell lines, establishment of cell bank, research and development of manufacturing processes and preparation of samples, toxicological and pharmacological testing, pre-clinical pharmaceutical experiment report drafting, and application for and registration of clinical trials. HDYM agreed to make milestone payments conditioned upon achieving certain contractually defined milestones.

The Group determined that this collaboration is more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. Under this agreement, due to the early stage nature of the development, the Group determined the license to the intellectual property and research and development services are not distinct and thus were accounted for as a single performance obligation that is satisfied over time. The Group would receive RMB51.0 million (inclusive of VAT) milestone payments under this agreement, and considered that the achievements of milestone II, III, IV are constrained such that the transaction price shall initially only include the milestones payment which have been achieved (that means when uncertainty associated with the variable consideration is subsequently resolved), the additional milestone payment shall be included in the total transaction price when it is no longer probable that a significant reversal of cumulative revenue would occur in future periods.

The Group used a cost-to-cost input method to measure progress as that method best depicts its performance under the agreement. For the year ended December 31, 2017, the Group achieved milestones I and II and received milestone payments totaling of RMB29.0 million (inclusive of VAT). The cumulative percentage

18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

B. Out-Licensing and collaboration Arrangements (continued)

complete in the cost-to-cost input method related to this agreement as of December 31, 2017 is estimated to approximate 42%, the Group recognized RMB11.6 million (exclusive of VAT of RMB0.7 million) of revenue in the consolidated statements of comprehensive loss, and RMB15.8 million (exclusive of VAT of RMB0.9 million) were deferred as contract liability related to this arrangement.

In 2018, the Group achieved milestones III and IV and received milestone III payment of RMB11.0 million (inclusive of VAT), which was recognized as contract assets as of December 31, 2018. As of December 31, 2018, the cumulative percentage complete in the cost-to cost input method related to this arrangement is estimated to approximate 100%. The Group recognized RMB36.5 million (exclusive of VAT of RMB1.3 million) of revenue in the interim condensed consolidated statements of comprehensive loss for the year ended December 31, 2018.

Collaboration Agreement with Everest ("Everest")

In January 2018, the Group entered into a collaboration agreement with Everest, which is controlled by the ultimate controlling party of a principal shareholder of the Group. Under the agreement, both parties agreed to collaborate on programs to co-develop MorphoSys' proprietary anti-CD38 antibody for all indications in hematologic oncology and commercialize of MOR202/TJ202 in Greater China.

A joint steering committee with equal representation from each party was established to coordinate and oversee the development and commercialization of the CD38 product. All decisions of the joint steering committee shall be made by unanimous vote.

Under the agreement, the Group is primarily responsible for carrying out the development, manufacture and supply of the CD38 product, as well as seeking regulatory approval of the CD38 product. Everest is primarily responsible for sharing the development costs of the CD38 product, including payments due to MorphoSys under the Licensing Agreement, dated November 30, 2017, in the proportion of 75% by Everest and 25% by the Group.

The joint steering committee will decide which party shall be responsible for conducting the commercialization of the CD38 product pursuant to the commercialization plan approved by the committee. If Everest is selected to be responsible for commercialization, the Group shall grant an exclusive royalty-free license to Everest to commercialize the CD38 product for all indications in hematologic oncology in Greater China.

The Group and Everest will share the profit and loss and out-licensing revenue derived from the CD 38 product in proportion to the costs that each party incur in developing the product. The parties will also split out-license revenue according to the proportion of development costs incurred, with the Group getting an additional five percent (5%) share and Everest receiving five percent (5%) less. Everest cannot share in any profit from the commercialization of CD38 product until it has fulfilled its payment obligations under this agreement.

Upon any termination of this arrangement, the terminating party has the right to continue the development and commercialization of CD38 product. If Everest is the rightful terminating party, the Group shall reasonably cooperate with Everest to facilitate the following: (i) assign the MorphoSys license to Everest (subject to the terms and conditions of such license); (ii) grant to Everest an exclusive license to all intellectual property rights that the Group owns or controls to further develop, manufacture, and commercialize the CD38 product; (iii) transfer the development, manufacture and commercialization of the CD38 product to Everest. The

18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

B. Out-Licensing and collaboration Arrangements (continued)

terminating party shall be solely responsible for the cost and expense of such development and commercialization after termination. In the event that such continuing party successfully develops and commercializes the CD38 product, it shall pay to the other party a percentage of the product profit and out-license revenue generated therefrom in accordance with the terms of this agreement.

The US$26.0 million (equivalent to approximately RMB178.7 million) in aggregate proceeds from Everest under the agreement represented the full funding available under the agreement, and was recorded as a research and development funding received liability on the consolidated balance sheet as of December 31, 2018, in accordance with ASC 730, Research and Development. Because there is a significant related party relationship between the Group and Everest, the Group is treating its obligation to make payments under the commercialization stage as an implicit obligation to repay the funds advanced by Everest (see Note 23). During the six months ended June 30, 2019, an additional US$7.6 million (equivalent to approximately RMB51.6 million) of funding was received and recorded as a research and development funding received liability, resulting in a total balance of US$33.6 million (equivalent to approximately RMB 231.4 million) as of June 30, 2019. No additional milestone has been achieved in the six months ended June 30, 2019.

Licensing Agreement with ABL Bio

In July 2018, the Group entered into a license and collaboration agreement with ABL Bio, under which the Group granted to ABL Bio exclusive, worldwide (excluding Greater China), royalty-bearing rights to develop and commercialize a bispecific antibody (“BsAb”).

The Group agreed to share costs fifty-fifty (50:50) with ABL Bio through the completion of in vivo studies, with ABL Bio responsible for all costs and activities following that time.

In consideration of the license, ABL Bio agreed to pay the Group an upfront fee of US$2.5 million (equivalent to approximately RMB17.2 million), and milestone payments in the aggregate amount of US$97.5 million (equivalent to approximately RMB646.8 million) conditioned upon achieving certain research, clinical development and sales milestones. These include research milestones of up to US$2.5 (equivalent to approximately RMB17.2) million, clinical milestones of up to US$30 million (equivalent to approximately RMB199.0 million) and sales milestones of up to US$65 million (equivalent to approximately RMB431.2 million). Further, ABL Bio agreed to pay the Group royalties at mid-single-digit percentages in respect of the total annual net sales of the licensed BsAb product.

In addition, ABL Bio granted to the Group an exclusive, royalty-free, sublicensable license to use the BsAb technology solely to exploit the licensed BsAb product for all indications in Greater China.

The Group determined that this collaboration is more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. Under this agreement, the only one performance obligation was to grant the BsAb license to ABL Bio, considering that the achievements of milestones are constrained such that the transaction price shall initially only include upfront payment and subsequently, once another milestone was achieved (that means when uncertainty associated with the variable consideration is subsequently resolved), the additional milestone payment shall be included in the total transaction price when it is no longer probable that a significant reversal of cumulative revenue would occur in future periods.

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18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

B. Out-Licensing and collaboration Arrangements (continued)

As of December 31, 2018 and as of June 30, 2019, no milestone has been achieved, and the Group recognized revenue of US$2.5 million (equivalent to RMB17.2 million) in the consolidated statements of comprehensive loss for the year ended December 31, 2018, which was the upfront fee related to the grant of the rights of BsAb to ABL Bio as mentioned above.

Collaboration Agreement with ABL Bio

In July 2018, the Group and ABL Bio entered into a collaboration agreement (the "ABL Bio Collaboration") whereby both parties agreed to collaborate to develop three PD-L1 based bispecific antibodies by using ABL Bio's proprietary BsAb technology and commercialize them in their respective territories, which, collectively, include Greater China and South Korea, and other territories throughout the rest of the world if both parties agree to do so in such other territories during the performance of the agreement.

At contract inception, as both I-Mab and ABL Bio participate actively in the research and development activity. Also, the parties share the risk of failure of the BsAb products and share the income of licensing, so this contract meet the criteria of the definition of a collaborative arrangement, the Group categorized this agreement within the scope ASC 808. Prior to commercialization, the Group recorded the share of the expenses incurred by the collaboration for the development of three PD-L1 based bispecific antibodies products in research and development expense in the interim condensed consolidated statements of comprehensive loss. For the six months ended June 30, 2019, RMB3.49 million expenses were incurred by the Group and RMB3.41 million expenses were incurred by ABL. According to the terms set out in the agreement, the Group recorded RMB3.45 million (50% cost sharing) of expenses in the Group's interim condensed consolidated statements of comprehensive loss for the six months ended June 30, 2019.

Collaboration Agreements with Tracon Pharmaceuticals, Inc. ("Tracon")

In November 2018, the Group entered into collaboration agreements with Tracon, under which both parties agreed to co-develop the Group's proprietary CD73 antibody, TJD5 (the "TJD5 Agreement") and co-develop up to five BsAbs (the "BsAbs Agreement"). As of June 30, 2019, the Group has recorded US$0.6 million (equivalent to RMB4.4 million) of research and development costs in the interim condensed consolidated statements of comprehensive loss.

Licensing Agreement with CSPC Pharmaceutical Group Limited ("CSPC")

In December 2018, the Group entered into a product development agreement with CSPC. The Group granted to CSPC exclusive, non-transferable, non-irrevocable and sublicensable rights in the PRC (excluding Hong Kong, Macau and Taiwan) to develop and commercialize TJ103 for treating type 2 diabetes.

CSPC is responsible for developing, obtaining market approval and commercializing the licensed products. The Group is responsible for transferring the manufacturing technology of the licensed products to CSPC and assisting CSPC in the continued optimization of such manufacturing technology thereafter.

In consideration of the license, CSPC agreed to pay the Group an upfront fee of RMB15.0 million and milestone payments in an aggregate amount of RMB135.0 million conditioned upon achieving certain clinical development

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18. LICENSING AND COLLABORATION ARRANGEMENTS (CONTINUED)

B. Out-Licensing and collaboration Arrangements (continued)

and regulatory approval milestones. In addition, the Group is also entitled to royalties of up to low-double-digit percentages in respect of the total annual net sales of the products after its commercialization in the PRC.

The Group determined that this collaboration is more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. Under this agreement, the only one performance obligation was to grant TJ103 license to CSPC. considering that the achievements of milestones are constrained such that the transaction price shall initially only include upfront payment and subsequently, once another milestone was achieved (that means when uncertainty associated with the variable consideration is subsequently resolved), the additional milestone payment shall be included in the total transaction price when it is no longer probable that a significant reversal of cumulative revenue would occur in future periods. As of December 31, 2018, the amount received of RMB14.2 million (net of VAT) was recorded as advance from customers in the consolidated balance sheets. In February 2019, an additional amount of RMB0.8 million (net of VAT) was received, and the license was also approved by China intellectual property office in May 2019. Accordingly, total RMB15.0 million was recognized as revenue in the interim condensed consolidated statements of comprehensive loss for the six months ended June 30, 2019.

19. OTHER INCOME (EXPENSES), NET

The following table summarizes other income (expense) recognized for the six months ended June 30, 2018 and 2019:

		Six months ended June 30		
		2018	2019	
	Notes	RMB	RMB	US$ (Note 2.5)
Loss from conversion of 2017 Notes	14	(18,375)	—	—
Loss from conversion of Onshore Convertible Loans	14	(6,865)	—	—
Loss from issuance of 2018 Notes	14	(4,893)	—	—
Income from other financial assets		8,527	—	—
Net foreign exchange gains (losses)		(759)	140	20
Subsidy income		750	100	15
Fair value change of other financial assets		—	(508)	(74)
Others		21	571	83
		(21,594)	303	44

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20. NET LOSS PER SHARE

Basic and diluted net loss per share for each of the periods presented are calculated as follows:

	Six months ended June 30		
	2018	2019	
	RMB	RMB	US$ (Note 2.5)
	(in thousands, except for loss per shares)		
Numerator:			
Net loss attributable to ordinary shareholders	(166,720)	(857,337)	(124,886)
Denominator:			
Weighted average number of ordinary shares outstanding—basic and diluted	6,397,663	7,184,086	7,184,086
Net loss per share—basic and diluted	(26.06)	(119.34)	(17.38)

For the six months ended June 30, 2018 and 2019, the effects of all outstanding convertible preferred shares, restricted shares, warrants and certain stock options have been excluded from the computation of diluted loss per share for the six months ended June 30, 2018 and 2019 as their effects would be anti-dilutive.

For the six months ended June 30, 2018 and 2019, the Company also has certain dilutive potential stock options. These stock options which cannot be exercised until the Company completes its listing are not included in the computation of diluted earnings per shares as such contingent event had not taken place.

The potentially dilutive securities that have not been included in the calculation of diluted net loss per share as their inclusion would be anti-dilutive are as follows:

	Six months ended June 30	
	2018	2019
Convertible preferred shares	37,869,615	91,578,628
Restricted shares	1,848,854	1,167,779
Warrants	N/A	252,099
Stock options	N/A	8,803,305

21. EMPLOYEE BENEFITS

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries of the Group make contributions to the government for these benefits based on certain percentage of the employees' salaries, up to a maximum amount specified by the government. The Group has no legal obligation for the benefits beyond the contribution made. The total amounts charged to the interim condensed consolidated statements of comprehensive loss for such employee benefits amounted to approximately RMB 3,581 and RMB 5,204 for the six months ended June 30, 2018 and 2019, respectively.

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22. COMMITMENTS AND CONTINGENCIES

Capital commitments

	Six months ended June 30		
	2018	2019	
	RMB	RMB	US$ (Note 2.5)
Leasehold improvements	—	322	47

Contingencies

The Group is a party to or an assignee of license and collaboration agreements that may require it to make future payments relating to milestone fees and royalties on future sales of licensed products (Note 18).

The Group did not have significant capital and other commitments, long-term obligations, or guarantees as of December 31, 2018 and June 30, 2019.

23. RELATED PARTY BALANCES AND TRANSACTIONS

The table below sets forth the major related parties and their relationships with the Group as of December 31, 2018 and June 30, 2019:

Name of related parties	Relationship with the Group
Everest Medicines Ltd. (“Everest”)	Controlled by the ultimate controlling party of a principal shareholder of the Group
Tasly Pharmaceutical Group Co., Ltd.	Controlled by the ultimate controlling party of a principal shareholder of the Group

Details of related party balance as of December 31, 2018 and June 30, 2019 are as follows:

Research and development funding received

	As of December 31, 2018	As of June 30, 2019	
	RMB	RMB	US$ (Note 2.5)
Everest (Note 18)	178,715	231,390	33,706

Details of related party transactions for the six months ended June 30, 2018 and 2019 are as follows:

Receipt of CRO services—recognized in research and development expenses

	Six months ended June 30,		
	2018	2019	
	RMB	RMB	US$ (Note 2.5)
Tasly Pharmaceutical Group Co., Ltd.	—	5,590	814

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23. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Receipt of research and development funding

	Six months ended June 30,		
	2018	2019	
	RMB	RMB	US$ (Note 2.5)
Everest (Note 18)	166,315	51,588	7,515

24. CONCENTRATION OF CREDIT RISK

Financial instruments that are potentially subject to significant concentration of credit risk consist of cash and cash equivalents, restricted cash, other financial assets, contract assets and other receivables. The carrying amounts of cash and cash equivalents, restricted cash and other financial assets represent the maximum amount of loss due to credit risk. As of December 31, 2018 and June 30, 2019, all of the Group's cash and cash equivalents and restricted cash were held by major financial institutions located in the PRC and international financial institutions outside of the PRC which management believes are of high credit quality and continually monitors the credit worthiness of these financial institutions. With respect to the contract assets, other receivables and other financial assets, the Group performs on-going credit evaluations of the financial condition of its customers and counterparties.

25. SUBSEQUENT EVENTS

The Group evaluated subsequent events through September 5, 2019.

(a) In July 2019, the Group granted 640,000 stock options and 3,098,500 stock options to the employees under 2017 Plan and 2018 Plan, respectively.

(b) On July 25, 2019, the Group entered into a share purchase agreement with certain third party investors, under which these investors will subscribe for an aggregate of 3,857,143 Series C-1 convertible preferred shares of the Company for an aggregate purchase price of US$27.0 million. Up to the issuance of these interim condensed consolidated financial statements, this transaction has not been consummated.

(c) According to the confirmations issued by the Company's Series B Warrants holders in July 2019, the holders of Series B Warrants have unconditionally and irrevocably waived and cancelled the Tranche II of Series B Warrants.

(d) In July 2019, the Group entered into an in-licensing and collaboration agreement with MacroGenics, Inc. for development and commercialization of an Fc-optimized antibody known as enoblituzumab that targets B7-H3, including in combination with other agents, such as the anti-PD-1 antibody known as MGA012, in Greater China.

26. UNAUDITED PRO FORMA BALANCE SHEET AND NET LOSS PER SHARE

The unaudited pro forma balance sheet information as of June 30, 2019 assumes the automatic conversion of all of the outstanding Preferred Shares into ordinary shares at a conversion ratio of 1:1 and forfeiture of Tranche II of Series B Warrants, as if the conversion and expiry had occurred as of June 30, 2019.

I-MAB

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share and per share data, unless otherwise noted)

26. UNAUDITED PRO FORMA BALANCE SHEET AND NET LOSS PER SHARE (CONTINUED)

The unaudited pro forma net loss per ordinary share is computed using the weighted-average number of ordinary shares outstanding and assumes forfeiture of Tranche II of Series B Warrants and the automatic conversion of all of the Group's outstanding mezzanine equity into ordinary shares upon the closing of the Group's Qualified Public Offering, as if it had occurred on January 1, 2019. The Group believes the unaudited pro forma net loss per share provides material information to investors, as the automatic conversion of the Group's outstanding mezzanine equity and forfeiture of Tranche II of Series B Warrants and the disclosure of pro forma net loss per ordinary share provides an indication of net loss per ordinary share that is comparable to what will be reported by the Group as a public company following the closing of the Qualified Public Offering.

The following table summarizes the unaudited pro forma net loss per share attributable to ordinary shareholders:

	Six months ended June 30, 2019	
	RMB	US$ (Note 2.5)
	(in thousands, except for loss per shares)	
Numerator		
Net loss attributable to ordinary shareholders	(857,337)	(124,886)
Add back fair value change of Tranche II of Series B Warrants (Note 15)	43,854	6,388
Numerator for pro-forma basic and diluted net loss per share	(813,483)	(118,498)
Denominator		
Weighted average number of ordinary shares outstanding	7,184,086	7,184,086
Pro-forma effect of the conversion of Series A Preferred Shares	30,227,056	30,227,056
Pro-forma effect of the conversion of Series B Preferred Shares	30,305,212	30,305,212
Pro-forma effect of the conversion of Series C Preferred Shares	31,046,360	31,046,360
Denominator for pro-forma basic and diluted net loss per share	98,762,714	98,762,714
Pro-forma net loss per share:		
Basic	(8.24)	(1.20)
Diluted	(8.24)	(1.20)

The unaudited pro forma balance sheets and loss per share excluded the impacts of the Group's share-based awards that subject to IPO conditions.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

The post-offering memorandum and articles of association that we expect to adopt and to become effective immediately prior to the completion of this offering provide that we shall indemnify our directors and officers (each, an indemnified person) against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such indemnified person, other than by reason of such person's own dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his or her duties, powers, authorities or discretions, including, without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such indemnified person in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.

Pursuant to the indemnification agreements the form of which is filed as Exhibit 10.3 to this registration statement, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The underwriting agreement, the form of which will be filed as Exhibit 1.1 to this registration statement, will also provide indemnification for us and our officers and directors for certain liabilities.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, we have issued the following securities. We believe that each of the following issuances was exempt from registration under the Securities Act pursuant to Section 4(2) of the Securities Act regarding transactions not involving a public offering or in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions. No underwriters were involved in these issuances of securities.

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Ordinary shares			
Offshore Incorporations (Cayman) Limited	June 30, 2016	1	US$0.0001
Mabcore Limited	June 30, 2016	4,019,553	US$401.9553
BioScikin Co., Ltd.	October 18, 2016	2,215,803	RMB1,000,000
Hangzhou Tigermed Consulting Co., Ltd	October 18, 2016	2,215,803	RMB15,000,000
Convertible promissory notes			
CBC Investment I-Mab Limited	September 25, 2017	1	US$12,100,000 (due September 2020)

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
C-Bridge II Investment Ten Limited	February 9, 2018	1	US$1,550,000 (due September 2020)
Qianhai Ark (Cayman) Investment Co. Limited	July 6, 2018	1	US$1,250,000 (due July 2021)
Genexine Inc.	February 5, 2018	1	US$9,000,000 (due February 2021)
Series A-1 preferred shares			
IBC Investment Seven Limited	October 18, 2016	4,629,231	US$4,629,231
Series A-2 preferred shares			
IBC Investment Seven Limited	October 18, 2016	512,356	US$8,447,692
Series A-3 preferred shares			
CBC SPVII LIMITED	September 6, 2017	8,361,823	US$15,000,000
Genexine, Inc.	September 6, 2017	8,361,823	US$15,000,000
Tasly Biopharm Limited	June 29, 2018	8,361,823	Tasly Biopharm Limited's equity interest in I-Mab Hong Kong
Series B preferred shares			
CBC Investment I-Mab Limited	September 22, 2017	14,089,714	US$48,400,000
C-Bridge II Investment Ten Limited	February 9, 2018	1,804,880	US$6,200,000
Tasly Biopharm Limited	June 29, 2018	5,938,640	Tasly Biopharm Limited's equity interest in I-Mab Hong Kong
Qianhai Ark (Cayman) Investment Co. Limited	July 6, 2018	1,455,549	US$2,035,667
Series B-1 preferred shares			
CBC Investment I-Mab Limited	June 29, 2018	2,247,321	Conversion of US$12,100,000 convertible promissory note due September 2020
C-Bridge II Investment Ten Limited	June 29, 2018	287,880	Conversion of US$1,550,000 convertible promissory note due September 2020
Tasly Biopharm Limited	June 29, 2018	947,218	Tasly Biopharm Limited's equity interest in I-Mab Hong Kong
Qianhai Ark (Cayman) Investment Co. Limited	July 6, 2018	232,161	Conversion of US$1,250,000 convertible promissory note due July 2021
Series B-2 preferred shares			
CBC Investment I-Mab Limited	June 29, 2018	1,997,618	US$12,100,000
C-Bridge II Investment Ten Limited	June 29, 2018	255,894	US$1,550,000
Rainbow Horizon Limited	July 6, 2018	841,971	US$5,100,000

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Qianhai Ark (Cayman) Investment Co. Limited	July 6, 2018	206,366	US$1,250,000
Series C preferred shares			
Fortune Eight Jogging Limited	July 6, 2018	8,537,749	US$55,000,000
C-Bridge II Investment Seven Limited	July 6, 2018	6,209,272	US$40,000,000
HH IMB Holdings Limited	July 6, 2018	3,104,636	US$20,000,000
Ally Bridge LB Precision Limited	July 6, 2018	3,104,636	US$20,000,000
Marvey Investment Company Limited	July 6, 2018	3,104,636	US$20,000,000
Mab Health Limited	July 6, 2018	1,862,782	US$12,000,000
Casiority H Limited	July 6, 2018	1,241,854	US$8,000,000
Southern Creation Limited (formerly known as Ally Bridge LB-Sunshine Limited)	July 6, 2018	1,552,318	US$10,000,000
Tasly International Capital Limited	July 6, 2018	1,552,318	US$10,000,000
Parkway Limited	July 6, 2018	776,159	US$5,000,000
Options and Warrants			
IBC Investment Seven Limited	October 18, 2016	Warrant to purchase up to 2,246,744 Series A-3 preferred shares*	N/A
Shanghai Tasly Pharmaceutical Co., Ltd.	September 6, 2017	Option to purchase up to 8,361,823 Series A-3 preferred shares	N/A
Shanghai Tasly Pharmaceutical Co., Ltd.	September 25, 2017	Option to purchase up to 5,938,640 Series B preferred shares and 947,218 Series B-1 preferred shares	N/A
Qianhai Equity Investment Fund (Limited Partnership)	September 25, 2017	Option to purchase up to 1,455,549 Series B preferred shares and up to 232,161 Series B-1 preferred shares	N/A
Tianjin Kangshijing Biopharmaceutical Technology Partnership (Limited Partnership)	September 25, 2017	Option to purchase up to 1,804,880 Series B preferred shares and up to 287,880 additional Series B-1 preferred Shares**	N/A
CBC Investment I-Mab Limited	September 25, 2017	Warrant to purchase up to 4,994,046 Series B-2 preferred shares	N/A
Shanghai Tasly Pharmaceutical Co., Ltd.	September 25, 2017	Warrant to purchase up to 2,104,928 Series B-2 preferred shares	N/A
Qianhai Equity Investment Fund (Limited Partnership)	September 25, 2017	Warrant to purchase up to 515,914 Series B-2 preferred shares	N/A

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
C-Bridge II Investment Ten Limited	September 25, 2017	Warrant to purchase up to 639,734 Series B-2 preferred shares	N/A
Certain directors, officers and employees and consultants	October 2017 to February 2019	Options to purchase 24,934,330 ordinary shares	Past and future services to us

* This warrant was cancelled on September 6, 2017.
** This option was terminated on February 9, 2018.

Item 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

See Exhibit Index beginning on page II-4 of this registration statement.

The agreements included as exhibits to this registration statement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosure that was made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosure of material information regarding material contractual provisions is required to make the statements in this registration statement not misleading.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

Item 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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Exhibit Index

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement
3.1*	Fourth Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect
3.2*	Form of Fifth Amended and Restated Memorandum and Articles of Association of the Registrant (effective upon the closing of this offering)
4.1*	Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2*	Registrant's Specimen Certificate for Ordinary Shares
4.3*	Form of Deposit Agreement, among the Registrant, the depositary and holder of the American Depositary Receipt
4.4*	Third Amended and Restated Shareholders Agreement, dated as of July 6, 2018, between the Registrant and other parties thereto
5.1*	Opinion of Conyers Dill & Pearman regarding the validity of the ordinary shares being registered and certain Cayman Islands tax matters
8.1*	Opinion of Conyers Dill & Pearman regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
8.2*	Opinion of JunHe LLP regarding certain PRC tax matters (included in Exhibit 99.2)
10.1	Amended and Restated 2017 Employee Stock Option Plan
10.2	Amended and Restated 2018 Employee Stock Option Plan
10.3*	Form of Indemnification Agreement, between the Registrant and its directors and executive officers
10.4*	Form of Employment Agreement, between the Registrant and its executive officers
10.5	Series C-1 Share Purchase Agreement, dated as of July 25, 2019, between the Registrant and the other parties thereto
10.6	Series C Share Purchase Agreement, dated as of June 28, 2018, between the Registrant and the other parties thereto
10.7	Executed form of warrants to Purchase Series B Preferred Shares of I-Mab between the Registrant and certain investors, and a schedule of all executed warrants adopting the same form in respect of each of the investors
10.8	Framework Agreement, dated as of May 26, 2017, among the Registrant and the other parties thereto
10.9	Re-organization Framework Agreement, dated as of April 18, 2018, among the Registrant and the other parties thereto
10.10	Supplement to the Re-organization Framework Agreement, dated as of May 31, 2018, among the Registrant and the other parties thereto
10.11	Re-organization Framework Agreement, dated April 4, 2018, among the Registrant and the other parties thereto

Exhibit Number	Description of Document
10.12	Supplement to the Re-organization Framework Agreement, dated as of May 31, 2018, among the Registrant and the other parties thereto
10.13†	License and Collaboration Agreement, dated as of November 30, 2017, between the Registrant and MorphoSys AG
10.14	Intellectual Property Assignment and License Agreement, dated as of October 16, 2015, between Tasgen Bio-tech (Tianjin) Co., Ltd. and Genexine, Inc.
10.15	Intellectual Property License Agreement, dated as of December 22, 2017, between the Registrant and Genexine, Inc.
10.16	License and Sublicense Agreement, dated as of November 4, 2016, between the Registrant and Ferring International Center SA
10.17†	Collaboration Agreement, dated as of July 9, 2019, between I-Mab Biopharma, US Limited and MacroGenics, Inc.
10.18	License and Collaboration Agreement, dated as of July 26, 2018, between the Registrant and ABL Bio
10.19	English translation of Product Development Agreement, dated as of December 10, 2018, between I-Mab Shanghai and CSPC Baike (Shandong) Biopharmaceutical Co., Ltd.
10.20	CD38 Product Collaboration Agreement, dated as of January 22, 2018, between the Registrant and Everest Medicines Limited
10.21	Supplemental Agreement to CD38 Product Collaboration Agreement, dated as of November 7, 2018, between the Registrant and Everest Medicines Limited
21.1	Principal Subsidiaries of the Registrant
23.1*	Consent of PricewaterhouseCoopers, an independent registered public accounting firm
23.2*	Consent of Conyers Dill & Pearman (included in Exhibit 5.1)
23.3*	Consent of JunHe LLP (included in Exhibit 99.2)
24.1*	Powers of Attorney (included on signature page)
99.1*	Code of Business Conduct and Ethics of the Registrant
99.2*	Opinion of JunHe LLP regarding certain PRC law matters
99.3*	Consent of Frost & Sullivan

* To be filed by amendment.

† Portions of this exhibit have been omitted pursuant to Rule 406 under the Securities Act.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Shanghai, China, on , 2019.

I-MAB

By: _____
Name:
Title:

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of and as attorneys-in-fact with full power of substitution for him or her in any and all capacities to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the "Securities Act"), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
Jingwu Zhang Zang	Director	, 2019
Zheru Zhang	Director	, 2019
Huaqiong Shen (Joan)	Director	, 2019
Jielun Zhu	Director and Chief Financial Officer (Principal Financial and Accounting Officer)	, 2019
Wei Fu	Director	, 2019
Mengjiao Jiang	Director	, 2019
Jie Yu	Director	, 2019
Lin Li	Director	, 2019
	Chief Executive Officer (Principal Executive Officer)	, 2019

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of I-MAB has signed this registration statement or amendment thereto in Newark, Delaware, United States on , 2019.

Authorized U.S. Representative

By: _____
Name:
Title:

I-MAB
□□□□

AMENDED AND RESTATED
2017 EMPLOYEE STOCK OPTION PLAN

Adopted on Oct. 1st, 2017
Amended on Feb. 22th , 2019

Amended and Restated 2017 Employee Stock Option Plan

PREFACE

The Company adopted the I-Mab Employee Stock Option Plan (the "Original Plan") on October 1st, 2017. On Feb 22, 2019, the Board approved and adopted this Amended and Restated 2017 Employee Stock Option Plan of I-Mab□□□□ (this "Plan"), which shall amend and restate the Original Plan in its entirety.

1. DEFINITIONS AND INTERPRETATION

(A) In this Plan, save where the context otherwise requires, the following expressions have the respective meanings set forth opposite them:

"Adoption Date"	Oct. 1st, 2017;
"Auditors"	the auditors for the time being of the Company;
"Board"	the board of directors of the Company or a duly authorised committee thereof;
"business day"	any day (excluding Saturday) on which banks in the PRC generally are open for business;
"Change in Control"	means a Corporate Transaction in which immediately after the consummation of such transaction, the Shareholders immediately prior thereto do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or acquiring entity in such transaction, or (B) more 50% of the combined outstanding voting power of the parent of the surviving entity in such transaction, in each case in substantially the same proportions as their ownership immediately prior to such transaction. Notwithstanding the foregoing, the term Change in Control will not include (x) a Listing or a transaction the primary purpose of which is to facilitate a Listing, (y) a transaction the primary purpose of which is to raise capital for the Company, or (z) other transaction effected exclusively for the purpose of changing the domicile of the Company.

“Company”	I-Mab□□□□, a company incorporated in the Cayman Islands;
“Committee”	means a committee of one (1) or more members of the Board to whom authority has been delegated by the Board in accordance with paragraph 3(C);
“Contract”	means, in relation to an Employee, his or her contract of Employment with the relevant company within the Group;
“Corporate Transaction”	the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events: (i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries; (ii) a sale or other disposition of at least 50% of the outstanding securities of the Company; (iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or (iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the Shares outstanding immediately preceding the such transaction are converted or exchanged by virtue of the transaction into other property, whether in the form of securities, cash or otherwise;
“Eligible Employee”	any employee, officer, director, contractor, advisor or consultant of the Group who is notified by the Board that he or she is an Eligible Employee by reason of their contribution to the Group;
“Employee”	any full-time or part-time employee (including, without limitation, an executive director) of the Group and any consultant or adviser to the Group, and “Employment” has a corresponding meaning;
“Exercise Net Proceeds”	the amount (if any) by which (i) the net proceeds of sale (e.g., after payment of, without limitation, stamp duty, commissions, brokerage and Stock Exchange transaction levy, and withholding tax amount (if applicable)) of the Shares, exceeds (ii) the Subscription Price applicable to such Shares;

“Grantee”	any Eligible Employee who accepts an offer in accordance with the terms of this Plan by executing an Offer Letter with the Group, or (where the context so permits) any person who is entitled to any Option in consequence of the death of the original Grantee or other permitted transfer;
“Group”	the Company and its Subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing”	the listing of all or any part of the Company’s or any of its Subsidiaries’ share capital to a recognised stock or other investment exchange or the grant of permission by any stock or other exchange to deal in the same and “Listed” has a corresponding meaning;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum and Articles”	the memorandum and articles of association of the Company for the time being in force;
“Offer Letter”	the letter, referred to in paragraph 4(B), the form of which shall be approved by the Board, entered into by and among the Company and a Grantee regarding the offer of an Option;
“Officer”	means any person designated by the Company as an officer;
“Option”	a right granted to subscribe for Shares pursuant to this Plan;
“Option Period”	the period during which the Option can be exercised as set forth in the Offer Letter;
“Option Shares”	Shares allotted and issued to a Grantee pursuant to the exercise of an Option;
“Plan”	this amended and restated 2017 employee stock option plan in its present form or as amended from time to time in accordance with the provisions hereof;
“Pre-Listing Option Interests”	has the meaning defined in paragraph 10(A);
“PRC”	the People’s Republic of China, and for purpose of this Agreement, does not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

"RMB"	Renminbi, the lawful currency of the People's Republic of China;
"Shares"	ordinary shares of US$0.0001 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, redenomination, reclassification or reconstruction of the share capital of the Company from time to time);
"Stock Exchange"	any qualified stock exchange approved by the Board in accordance with the Memorandum and Articles of the Company;
"Subscription Price"	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option, as described in paragraph 5;
"Subsidiary"	a company which is for the time being and from time to time a subsidiary (within the meaning of the Listing Rules) of the Company, irrespective of where the company is incorporated;
"US$"	US Dollar, the lawful currency of the United States;
"Vesting Commencement Date"	means, with respect to a Grantee, the vesting commencement date as indicated in his or her Offer Letter; and
"Vesting Schedule"	the vesting schedule according to which the Option to be issued to the Grantee, as described in paragraph 5.

(B) In this Plan, save where the context otherwise requires:

(i) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Plan;

(ii) references to paragraphs are references to paragraphs of this Plan;

(iii) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;

(iv) expressions in the singular shall include the plural and vice versa;

(v) expressions in any gender shall include other genders; and

(vi) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises and branches.

2. CONDITION

This Plan shall take effect subject to the passing of a resolution by the Board to approve and adopt this Plan, and to authorise the Board to grant Options to subscribe for Shares hereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under this Plan.

3. DURATION AND ADMINISTRATION

(A) Subject to paragraph 15, this Plan shall be valid and effective for the period of ten (10) years commencing on the Adoption Date after which period no further Options will be granted, but the provisions of this Plan shall in all other respects remain in full force and effect and the Grantees may exercise the Options in accordance with the terms upon which the Options are granted.

(B) This Plan shall be subject to the administration of the Board and the decision of the Board shall be final and binding on all parties. The Board shall have the right (i) to interpret and construe the provisions of the Plan, (ii) to determine the persons who will be awarded Options under the Plan, the number and Subscription Price and other terms (e.g., any performance conditions upon which the exercise of an Option is conditioned) of Options awarded thereto, (iii) to make such appropriate and equitable adjustments to the terms of Options granted under the Plan as it deems necessary, (iv) to amend, add to and/or delete any of the provisions of this Plan, provided that no such amendment, addition or deletion shall adversely affect the rights of any Grantee in respect of any Options granted to such Grantee, (v) to adopt such procedures and rules as are necessary or appropriate to permit participation in the Plan by Eligible Employees who are foreign nationals or employed outside of Hong Kong or the PRC (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Option Letter that are required for compliance with the laws of the relevant foreign jurisdiction); and (vi) to make such other decisions or determinations as it shall deem appropriate in the administration of the Plan.

(C) Notwithstanding the foregoing, the Board may delegate any of its powers, authorities and discretions in relation to the Plan to any Committee, and any such delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation. Any delegation of administrative powers will be reflected in written resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(D) The Board may delegate to one or more Officers the authority to do one or both of the following: (i) designate Eligible Employees who are not Officers to be recipients of Options and, to the extent permitted by applicable law, the terms of such Options, and (ii) determine the number of Option Shares to be subject to such Options; *provided*, *however*, that the Board resolutions regarding such delegation will specify the total number of Option Shares that may be subject to the Options granted by such Officer and that such Officer may not grant an Option to himself or herself. Any such Options will be granted on substantially the form of Offer Letter most recently approved for use by the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer to determine the fair market value of the Shares.

(E) No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith.

4. OFFER AND GRANT OF OPTIONS

(A) On and subject to the terms of this Plan, the Board shall be entitled to make an offer to any Eligible Employee as the Board may in its absolute discretion select to take up Options in respect of such number of Shares as the Board may determine at the Subscription Price. Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise (e.g. by linking their exercise to the attainment or performance of milestones by the Company, any Subsidiary, the Grantee or any group of Employees) as the Board may determine, provided such terms and conditions shall not be inconsistent with any other terms and conditions of this Plan.

(B) An Offer Letter shall be made to an Eligible Employee in such form as the Board may from time to time determine requiring the Eligible Employee to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Plan.

(C) A Grantee is not required to pay for the grant of any Option.

5. SUBSCRIPTION PRICE AND VESTING SCHEDULE

(A) The Subscription Price shall be approved by the Board and shall be set out in the Offer Letter.

(B) Unless otherwise approved by the Board and set forth in an Offer Letter, the Vesting Schedule shall be a three-year vesting schedule consisting of a cliff vesting of fifty percent (50%) on the second (2nd) anniversary of the applicable Vesting Commencement Date and, a vesting of the remaining fifty percent (50%) on the third (3rd) anniversary of the applicable Vesting Commencement Date.

6. EXERCISE OF OPTIONS

(A) Unless otherwise approved by the Board, 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 (legal or beneficial) in favour of any third party over or in relation to any Option or attempt so to do, except pursuant to paragraph 10 hereof. Notwithstanding the foregoing, in the event of the Grantee ceasing to be an Employee by reason of his/her death, disability or for any other reason that the Board considers valid, before exercising the Option in full, the Grantee's vested Option may be assigned to its representative (to the extent not already exercised). The executor or administrator of a deceased member, the guardian of an incompetent Grantee shall be the only person recognized by the Company as the representative to be assigned with the Option. The production to the Company of any document which is evidence of probate of the will, or letters of administration of the estate, or confirmation as executor, of a deceased member or of the appointment of a guardian of an incompetent Grantee may be accepted by the Company even if the deceased, or incompetent is domiciled outside the Cayman Islands if the document evidencing the grant of probate or letters of administration, confirmation as executor is issued by a foreign court or other competent authorities which had competent jurisdiction in the matter. Any permitted assignment of options shall only be made in a manner that is not prohibited by applicable tax and securities laws.

(B) Except otherwise approved by the Board, an Option, to the extent then vested, shall become exercisable only upon the earlier of (i) a Listing, and (ii) occurrence of a Change in Control. Notwithstanding the foregoing, the exercise shall be conditioned upon compliance in full with all applicable laws, regulations and exchange rules such Grantee or the Company is then subject to in connection with the exercise of the Options, including without limitation, in the case of a Grantee being a national or a resident of the PRC, PRC foreign exchange regulations and rules (e.g., Notice on Relevant Matters regarding Onshore Individuals' Participation in Share Incentive Plan of Offshore Listed Companies issued by the State Administration for Foreign Exchange of the PRC (as amended from time to time) effective as of February 15, 2012, or, Circular of the State Administration of Foreign Exchange on Relevant Issues concerning Foreign Exchange Administration of Offshore Investment and Financing and Inbound Investment through Special Purpose Companies by PRC Residents effective as of July 4, 2014 (as amended from time to time), as applicable). The Board may provide that an Option shall only become exercisable following any approval deemed necessary from the State Administration for Foreign Exchange of the PRC, or other regulatory entity.

(C) An Option may be exercised in whole or in part in the manner as set out in paragraph 6(D) or 6(E) (as the case may be) by the Grantee (or his or her personal representatives) giving notice in writing to the Company in the form of the notice attached hereto as Schedule I, or such other form as may be adopted by the Board from time to time, stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. In addition, a Grantee may be required to enter into a voting trust agreement or power of attorney in favour of ZANG, Jingwu Zhang in his capacity as a founder of the Group, or shareholders' agreement, as a condition to exercise of the Option.

(D) Each notice of exercise of an Option must be accompanied by a remittance for the aggregate amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 30 days after receipt of the notice and remittance and, where appropriate, receipt of the Auditors' certificate pursuant to paragraph 9, the Company shall allot and issue or procure the allotment and issue of the relevant Option Shares to the Grantee (or his or her personal representative) credited as fully paid

(E) Notwithstanding paragraph 6(D), after a Listing and subject to Company's appointment of an appropriate administrator of the Plan, a Grantee may request by a notice of exercise to the Company to direct and procure the administrator of the Plan to exercise an Option (to the extent exercisable by the Grantee) and sell the relevant Shares, and pay the Grantee in cash an amount equal to the Exercise Net Proceeds in connection with such sale of Shares. It shall be a condition of the exercise of an Option under this paragraph 6(E) that the net proceeds of sale of the relevant Shares (as referred to in the definition of "Exercise Net Proceeds") shall exceed the Subscription Price of such Shares. The Grantee shall provide the Company with such information in relation to the method of making payment as the Company may require, and the making of such payment in accordance with such information shall operate as a complete and absolute discharge of the Company's obligations in respect of a Grantee's exercise of Option pursuant to this paragraph 6(E). If so requested by the Company, a Grantee shall deliver a duly executed receipt of payment contemporaneously with the making of such payment.

(F) Subject to paragraph 10, Option Shares will be subject to the provisions of the Memorandum and Articles of the Company for the time being in force and will rank pari passu with the fully paid Shares in issue as from the date of exercise of the Option and in particular will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of exercise of the Option other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the date of exercise of the Option, provided always that when the date of exercise of the Option falls on a date upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first business day on which the register of members of the Company is re-opened.

(G) Prior to the expiry of the Option Period, any cancellation of Options granted but not exercised shall require the approval of the Board and the Grantee in question. Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of this Plan and applicable law.

7. LAPSE OF OPTION

(A) General. An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

(i) the expiry of the Option Period;

(ii) two (2) years after the date when the Option becomes exercisable as set for in paragraph 6(B), if not exercised;

(iii) the date when any circumstance in violation of paragraph 6(A) occurs; or

(iv) subject to paragraph 7(B) to (F), on an Grantee ceasing to be an Eligible Employee.

(B) Lapse for Death or Illness. Subject to paragraph 7(C), if an Grantee ceases to be an Eligible Employee by reason of:

(i) the Grantee's death; or

(ii) the Grantee's serious illness or injury which, in the opinion of the Board, renders the Grantee concerned unfit to perform the duties of his or her Employment and which in the normal course would render the Grantee unfit to continue performing the duties under his or her Contract provided such illness or injury is not self-inflicted or as a result of alcohol or drug abuse;

then, subject to the paragraph 6(B), any unvested Option will immediately lapse and the Grantee or his or her personal representatives (if appropriate) may exercise all his or her vested Options until the later of: (i) 90 days after the date when the Options become exercisable as set for in paragraph 6(B), or (ii) six (6) months after the date of cessation of Employment or directorship, or such longer period as the Board may determine. Any vested Option not exercised prior to the expiry of the above-mentioned period shall lapse.

(C) Lapse on Termination for Cause. If the Board determines that any Grantee ceasing to be an Employee by any of the following reason, (i) any act of grave misconduct or willful default or willful neglect in the discharge of duties of the Grantee with the Group; (ii) without prejudice to the generality of (i) above, being proven to have carried out any fraudulent activity or have fraudulently failed to carry out any activity whether or not in connection with the affairs of the Group; (iii) being convicted of any offence; (iv) being proved to take advantages of such Grantee's position to make interest for him/herself or for others; (v) being proved to appropriate assets of the Group; (vi) serious violation or persistent breach of any terms of the employment agreement, the confidentiality and intellectual property rights assignment agreement, the non-compete and non-solicitation agreement, the anti-bribery agreement or any other agreements entered into by and between such Grantee and any member of the Group; (vii) repeated drunkenness or use of illegal drugs or being addicted to gambling which adversely interferes with or is reasonably expected to adversely interfere with the performance of such Grantee's obligations and duties of employment; and (viii) any other conduct which, as the Board determines in good faith, would justify the termination of his or her Contract, then any Option (whether vested or unvested) held by the Grantee shall immediately lapse (unless the Board resolves otherwise in its absolute discretion).

(D) Lapse on Cessation for Other Reason. If an Grantee ceases to be an Eligible Employee for any reason other than those set up in paragraph 7(B) or 7(C), then, subject to paragraph 6(B), any unvested Option will immediately lapse and the Grantee or his or her personal representatives (if appropriate) may exercise all his or her vested Options until later of: (i) 90 days after the date when the Options become exercisable as set for in paragraph 6(B), or (ii) 30 days after the date of cessation of Employment or directorship, or such longer period as the Board may otherwise determine. Any vested Option not exercised prior to the expiry of the above-mentioned period shall immediately lapse.

(E) Lapse on a General Offer or Corporate Transaction. An unexercised Option may lapse as provided in paragraphs 9(B) or 9(C) hereof in the case of a General Offer or a Corporate Transaction.

(F) Lapse on Winding-up. If notice is duly given of a resolution for the voluntary winding-up of the Company, vested Options may, subject to paragraph 6(B), be exercised prior to the date of the resolution. The Grantee shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation pari passu with the holders of the Shares in issue on the day prior to the date of such resolutions.

8. MAXIMUM NUMBER OF SHARES SUBJECT TO OPTIONS

(A) The maximum number of Shares in respect of which Options may be granted under this Plan shall not, subject to paragraph 9, exceed 13,376,865 Shares in the aggregate.

(B) Unless otherwise approved by the Board, no Employee shall be granted an Option which, if exercised in full, would result in such Employee becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued under all the Options previously granted to him which have been exercised, and, issuable under all the Options previously granted to him which are for the time being subsisting and unexercised, would exceed ten percent (10%) of the aggregate number of Shares for the time being issued and issuable under this Plan.

(C) The maximum number of Shares referred to in paragraphs 8(A) and 8(B) will be adjusted, in such manner as an independent financial adviser or the Auditors (acting as experts and not as arbitrators) shall confirm to the Board in writing in the terms set out in paragraph 9 below or otherwise as the Board deems appropriate, in the event of any alteration in the capital structure of the Company whether by way of capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company or otherwise howsoever.

(D) Notwithstanding the foregoing, Shares that are subject to or underlie Options granted under this Plan that expire or for any reason are cancelled or terminated without having been exercised (or Shares subject to or underlying the unexercised portion of such Options in the case of Options that were partially exercised), or Option Shares or Options repurchased by the Company pursuant to paragraph 10, to the extent cancelled by the Company after such repurchase, will again, except to the extent prohibited by law or applicable listing or regulatory requirements, be available for subsequent Options grants under this Plan.

9. REORGANISATION OF CAPITAL STRUCTURE AND OTHER CORPORATE EVENTS

(A) Reorganisation of Capital Structure. In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, sub-division, or reduction of the share capital of the Company or otherwise howsoever in accordance with legal requirements, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party or an issue of shares pursuant to, or in connection with, any share option plan, share appreciation rights plan or any arrangement for remunerating or incentivising any employee, consultant or adviser to the Company or any Subsidiary or in the event of any distribution of the Company's capital assets to its shareholders on a pro rata basis (whether in cash or in specie) other than dividends paid out of the net profits attributable to its shareholders for each financial year of the Company, such corresponding alterations (if any) shall be made to:

(i) the number or nominal amount of Shares subject to the Option so far as unexercised;

(ii) the Subscription Price;

or any combination thereof, as an independent financial adviser or the Auditors shall confirm to the Board in writing, either generally or as regard any particular Grantee, to have given a participant the same proportion (or rights in respect of the same proportion) of the equity capital as that to which that person was previously entitled, but that no such adjustments be made to the extent that a share would be issued at less than its nominal value. The capacity of the independent financial adviser or Auditors (as the case may be) in this paragraph is that of experts and not of arbitrators and their confirmation shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the independent financial adviser or Auditors (as the case may be) shall be borne by the Company.

(B) General Offer. If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all shareholders of the Company (or all such shareholders other than the offeror and/or any person controlled by the offeror and /or any person associated with or acting in connect with the offeror) (a "General Offer"), the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them which at the time vested, shareholders of the Company. If such offer becomes or is declared unconditional or such scheme or arrangements is formally proposed to shareholders of the Company, the Grantee shall, notwithstanding any other terms on which his or her Options were granted (provided that any performance condition must first be satisfied), be entitled to exercise his or her vested Options at any time up until (i) the close of such offer (or any revised offer); or (ii) the record date for entitlements under a scheme of arrangement, as applicable, and any unexercised Options will immediately lapse on the close of business on such date.

(C) Corporate Transaction. The following provisions will apply to Options in the event of a Corporate Transaction (including a Change in Control) unless otherwise provided in the Option Letter or any other written agreement between the Company or any Grantee or unless otherwise expressly provided by the Board at the time of grant of an Option. In the event of a Corporate Transaction, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to Options, contingent upon the closing or completion of the Corporate Transaction:

(i) arrange for the surviving entity or acquiring company (or the surviving or acquiring company's parent company) to assume or continue the Option or to substitute a similar award for the Option (including, but not limited to, an option to acquire the same consideration paid to the shareholders of the Company pursuant to the Corporate Transaction);

(ii) accelerate the vesting, in whole or in part, of the Option (and, if applicable, the time at which the Option may be exercised) to a date prior to the effective time of such Corporate Transaction as the Board determines (or, if the Board does not determine such a date, to the date that is five (5) days prior to the effective date of the Corporate Transaction), with such Option terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction; provided, however, that the Board may require Grantees to complete and deliver to the Company a notice of exercise before the effective date of a Corporate Transaction, which exercise is contingent upon the effectiveness of such Corporate Transaction;

(iii) cancel or arrange for the cancellation of the Option, to the extent not vested prior to the effective time of the Corporate Transaction, and pay such cash consideration (or no consideration) as the Board, in its sole discretion, may consider appropriate; and

(iv) make a payment for each vested Option, in such form as may be determined by the Board equal to the excess, if any, of (x) the per share amount payable to holders of Shares in connection with the Corporate Transaction, over (y) any exercise price payable by such holder in connection with such exercise, multiplied by the number of vested Shares under the Option. This payment may be $0 if the per share amount payable in respect of a Share in the Corporate Transaction is equal to or less than the Subscription Price. In addition, any escrow, holdback, earnout or similar provisions in the definitive agreement for the Corporate Transaction may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Shares.

The Board need not take the same action or actions with respect to all Options or portions thereof or with respect to all Grantees in a Corporate Transaction. The Board may take different actions with respect to the vested and unvested portions of an Option. Notwithstanding the foregoing, in the event the Corporate Transaction is conducted for the purpose of Listing on a Stock Exchange in the PRC, the Company shall arrange for the PRC listing entity to assume or continue the Options or to substitute a similar award for the Options.

(D) Accelerated Vesting on a Change in Control. The Board may provide that an Option may be subject to additional acceleration of vesting upon or after a Change in Control or as may be provided in any other written agreement between the Company and the Grantee, but in the absence of such provision, no such acceleration will occur.

(E) Effectiveness of this paragraph 9. This paragraph 9 shall terminate in its entirety upon a Listing.

10 RIGHT OF REPURCHASE OF SHARES OR OPTIONS

(A) Notwithstanding any provision herein to the contrary, unless otherwise approved by the Board and set forth in an Offer Letter, prior to a Listing, after a Grantee's termination of employment by or services to the Company or any of its Subsidiaries, any Option Share issued by the Company as a result of the exercise of an Option of such Grantee or any vested Option held by such Grantee (collectively, "Pre-Listing Option Interests") shall be subject to a right, but not an obligation, of repurchase by the Company and/or its assignee(s) (the "Right of Repurchase"), at the price as set forth in the Offer Letter (the "Repurchase Price").

(B) If the Company wishes to exercise its Right of Repurchase, it shall give notice thereof to the Grantee, and the Grantee shall immediately endorse and deliver to the Company the share certificate(s) representing the Option Shares being repurchased (if applicable) and take all such actions and do all such things as necessary for effecting the Right of Repurchase, and the Company shall then promptly pay, pursuant to the provisions of clause 10(C) below, the total Repurchase Price to the Grantee. If the Company exercises its Right of Repurchase, it may exercise its right with respect to all or part of the Pre-Listing Option Interests.

(C) The Repurchase Price shall be paid first by cancellation of any obligation for accrued but unpaid interest outstanding under notes issued by the Grantee upon purchase of the Option Shares (if any), next by cancellation of principal outstanding under such notes (if any), and finally by payment in cash of the balance due.

(D) The Right of Repurchase shall terminate upon the earlier to occur of (i) a Listing; or (ii) such other event and/or conditions as the Board may determine in its sole discretion.

11. SHARE CAPITAL

The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

12. DISPUTES

Any dispute arising in connection with this Plan (whether as to the number of Shares which are the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditors, who shall act as experts and not as arbitrators and whose decision shall be final and binding upon all persons affected thereby.

13. ALTERATION OF THIS PLAN

This Plan may be altered in any respect by the prior approval of the Board, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration, except with the consent or sanction of such majority of the Grantees as would be required of the shareholders of the Company under the Memorandum and Articles for the time being of the Company for a variation of the rights attached to the Shares.

14. TAX LIABILITY

The Grantee shall be solely liable to pay all taxes and other levies which may be assessed or assessable on any payments made by the Company hereunder and all payments required to be made hereunder by the Company shall be subject to the deduction or withholding of such amounts as the Board may reasonably determine is necessary or desirable by reason of any liability to tax or obligation to account for tax or loss of any relief from tax which may fall on the Company or any Subsidiary in respect of, or by reason of such payment or the exercise of an Option, and the Grantee agrees to indemnify and keep the Company (for itself and as trustee for its subsidiaries) indemnified in respect of any such liability, obligation or loss and accepts that any claim in respect of such indemnity may be satisfied by set-off against any sums due from the Company or any Subsidiary to such Grantee from time to time. In the event that any tax liability becomes due on the exercise of an Option for which the Company is required to account to, the Option may not be exercised unless the Grantee has made a payment to the Company an amount equal to such tax liability.

15. TERMINATION

The Board may at any time terminate the operation of this Plan and in such event no further Options will be offered but in all other respects the provisions of this Plan shall remain in full force and effect.

16. MISCELLANEOUS

(A) This Plan shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Employee or Grantee, and the rights and obligations of any Eligible Employee or Grantee under the terms of his or her office or employment shall not be affected by his or her participation in this Plan or any right which he or she may have to participate in it and this Plan shall afford such Eligible Employee or Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

(B) This Plan shall not confer on any person any legal or equitable right (other than those rights constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

(C) The Company shall bear the costs of establishing and administering this Plan.

(D) Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business or such other address as notified to the Grantee from time to time and, in the case of the Grantee, his or her address as notified to the Company from time to time or as indicated in his or her identity certificate provided by him or her to the Company or its Subsidiaries.

(E) Any notice or other communication served by post:

(i) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and

(ii) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.

(F) All allotments and issues of Shares will be subject to all necessary consents under any relevant legislation for the time being in force in the Cayman Islands and a Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Plan.

(G) This Plan and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

(H) The Company and the Grantees shall agree and acknowledge that the information of this Plan and the Offer Letter shall, to the extent required by the applicable securities and other laws, be disclosed to meet the requirements of such applicable securities and other laws governing such disclosures.

I-MAB□□□□
2017 EMPLOYEE STOCK OPTION PLAN

ADDENDUM FOR U.S. GRANTEES

1. Purpose and Applicability

(a) This Addendum for U.S. Grantees (the "**U.S. Addendum**") applies to Grantees of the I-Mab□□□□ 2017 Stock Option Plan (as amended, the "**Plan**") who are either U.S. residents or U.S. taxpayers (each such Grantee, a "**U.S. Grantee**"). The purpose of the U.S. Addendum is to facilitate compliance with U.S. tax, securities and other applicable laws, and to permit the Company to issue tax-qualified Incentive Stock Options (as defined below) to eligible U.S. Grantees.

(b) Except as otherwise provided by the U.S. Addendum, all Options granted to U.S. Grantees will be governed by the terms of the Plan, when read together with the U.S. Addendum. In any case of an irreconcilable contradiction (as determined by the Board) between the provisions of the U.S. Addendum and the Plan, the provisions of the U.S. Addendum will govern. Capitalized terms contained herein have the same meanings given to them in the Plan, unless otherwise provided by the U.S. Addendum.

(c) This Addendum is effective as of Oct. 1st, 2017 (the "**Effective Date**").

2. Definitions

In the U.S. Addendum, the following words will have the meaning as defined below:

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Incentive Stock Option**" or "**ISO**" means an Option that is intended to be, and qualifies as, an incentive stock option within the meaning of Section 422 of the Code.

"**Majority-Owned Subsidiary**" means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%).

"**Nonstatutory Stock Option**" or "**NSO**" means an Option that does not qualify as an Incentive Stock Option.

"**Parent**" means a corporation, whether now or hereafter existing, in an unbroken chain of corporations *ending* with the Company, if each corporation other than the Company owns shares possessing 50% or more of the total combined voting power of all classes of shares in one of the other corporations in such chain, as provided in the definition of a "parent corporation" contained in Section 424(e) of the Code.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Ten Percent Shareholder**" means person who owns (or is deemed to own pursuant to Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of outstanding securities of the Company or any Parent or Majority-Owned Subsidiary.

"**U.S.**" means the United States of America.

2. Additional Terms Applicable to All Options Granted to U.S. Grantees.

(a) Minimum Subscription Price. Subject to the provisions of paragraph 4(e) below regarding Grantees who are Ten Percent Shareholders, the Subscription Price of each Option will be not less than 100% of the fair market value of the Stock on the date the Option is granted. Notwithstanding the foregoing, an Option may be granted with a Subscription Price lower than 100% of the fair market value of the Shares if such Option is granted pursuant to an assumption of or substitution for another option pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code.

(b) Grants to Consultants. An Eligible Employee that is a consultant, contractor or advisor and that is a resident of the U.S. is not an Eligible Employee for the grant of an Option if, at the time of grant, either the offer or sale of the Option to such person is not exempt under Rule 701 of the Securities Act because the consultant is not a natural person, the services that the consultant is providing to the Company are in connection with a capital raising transaction or directly or indirectly serve to promote or maintain a market for the Company's securities, or because of any other provision of Rule 701 of the Securities Act, *unless* the Company determines that such grant need not comply with the requirements of Rule 701 of the Securities Act and will satisfy another exemption under the Securities Act as well as comply with the securities laws of the U.S. state of residence of the consultant and all other applicable jurisdictions.

(c) No Cash Settlement on Exercise of Options. The Board may not grant to any U.S. Grantee an Option where the U.S. Grantee may receive a cash payment upon exercise of the Option in lieu of Shares if such Option would result in a violation of Section 457A of the Code. For clarity, this provision does not prohibit the Board for providing for the cancellation of Options pursuant to paragraph 9(C) of the Plan in connection with a Corporate Transaction.

(d) Section 409A and Section 457A of the Code. Unless otherwise expressly provided for in an Offer Letter, the terms applicable to Options granted under the U.S. Addendum will be interpreted to the greatest extent possible in a manner that makes the Options exempt from Section 409A and Section 457A of the Code, and, to the extent not so exempt, that brings the Options into compliance with Section 409A and Section 457A of the Code. Notwithstanding anything to the contrary in the Plan (and unless the Offer Letter or other written contract with the U.S. Grantee specifically provides otherwise), if the Shares are publicly traded, and if a U.S. Grantee of an Option that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" under Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such U.S. Grantee's "separation from service" or, if earlier, the date of the U.S. Grantee's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

3. Provisions Applicable to Incentive Stock Options

(a) Eligible Recipients of ISOs. As provided in Section 422(a)(2) of the Code, Incentive Stock Options may be granted only to employees of the Company, a Parent or a Majority-Owned Subsidiary. Consultants, advisors and non-employee directors are not eligible to receive Incentive Stock Options.

(b) Designation of ISO Status. The Board action approving the grant of an Option to a U.S. Grantee and the Offer Letter must specify that such Option is intended to be an Incentive Stock Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option.

(c) Maximum Shares Issuable On Exercise of ISOs. Subject to the adjustment pursuant to the provisions of paragraphs 8(C) of the Plan, the maximum aggregate number of Shares that may be subject to Options that are designated as Incentive Stock Options is 15,000,000 Shares.

(d) No Transfer. As provided by Section 422(b)(5) of the Code, an Incentive Stock Option may not be transferable except by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of the U.S. Grantee only by the U.S. Grantee. If the Board elects to allow the transfer of an Option that is designated as an Incentive Stock Option, such transferred Option will automatically become a Nonstatutory Stock Option as of the date of transfer.

(e) Additional Limits for Ten Percent Stockholders. As provided by Section 422(c)(5) of the Code, a person is a Ten Percent Shareholder will not be eligible for the grant of an Incentive Stock Option *unless* (i) the exercise price is at least 110% of the fair market value of a Share on the date of grant and (ii) such Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the date of grant.

(f) US $100,000 Limit. As provided by Section 422(d) of the Code and applicable regulations thereunder, to the extent that the aggregate fair market value (determined at the time of grant) of Shares with respect to which Incentive Stock Options are exercisable for the first time by any U.S. Grantee during any calendar year (under all plans of the Company and any Affiliates) exceeds US$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Offer Letter(s).

(g) Post-Termination Exercise Period. To obtain the U.S. federal income tax advantages associated with an Incentive Stock Option, the U.S. Internal Revenue Code requires that at all times beginning on the date of grant and ending on the day three months before the date of exercise of the Option, the U.S. Grantee must be an employee of the Company or a Parent or a Majority-Owned Subsidiary (except in the event of the Grantee's death or disability, in which case longer periods may apply). Any Incentive Stock Option that provides for a post-termination exercise period in excess of three months from the termination of the U.S. Grantee's employment status will automatically be treated as Nonstatutory Stock Option following such three month period.

(h) Leave of Absence. As provided by Section 422 of the Code and applicable regulations thereunder, if a U.S. Grantee is on an approved leave of absence that exceeds three months (unless reemployment upon expiration of such leave is required by statute or contract), then on the date six months following the first day of such leave, any Incentive Stock Option held by a U.S. Grantee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

(i) Loss of ISO Status Upon a Reorganisation or Repricing. In connection with the adjustment of Options in connection with a reorganisation as provided in paragraph 9(A) of the Plan, or a repricing where the Subscription Price of such Options is higher than the the-current fair market value of the Shares, the Board may provide for the adjustment of Options in a manner that results in the loss of Incentive Stock Option status without the consent of the U.S. Grantee, *provided* that such adjustment or repricing (i) complies with Section 409A of the Code, and (ii) the loss of Incentive Stock Option status is the only adverse change to the Option.

4. Shareholder Approval of U.S. Addendum

An Incentive Stock Option granted pursuant to the U.S. Addendum may not be exercised until such time as the Plan and the U.S. Addendum have been approved by at least a majority of the Shareholders of the Company.

5. Term, Amendment and Termination

(a) The Board may amend, suspend or terminate this U.S. Addendum at any time. Unless terminated sooner by the Board, the U.S. Addendum will terminate automatically upon the earlier of (i) 10 years after the Effective Date and (ii) the termination of the Plan. No Incentive Stock Options may be granted under the U.S. Addendum while either the Plan or the U.S. Addendum is suspended or after the Plan or the U.S. Addendum is terminated.

(b) If this U.S. Addendum is terminated, the provisions of this U.S. Addendum and any administrative guidelines, and other rules adopted by the Board and in force at the time of suspension or termination of this U.S. Addendum, will continue to apply to any outstanding Options as long as an Option issued pursuant to the U.S. Addendum remain outstanding.

(c) No amendment, suspension or termination of the U.S. Addendum may materially adversely affect any Options granted previously to any U.S. Grantee without the consent of the U.S. Grantee.

Schedule I

[Date]

[ ]

I-Mab□□□□

Dear Sir,

Re: Employee Stock Option Plan

I hereby give notice that the Option granted to me under the Employee Stock Option Plan (the "Plan") of I-Mab□□□□ adopted on Oct. 1st, 2017 as amended from time to time in accordance with the provisions thereof is hereby exercised in respect of [ ] Shares.

[The Option to which this notice relates is hereby exercised pursuant to paragraph 6(D) of the Plan. I enclose the remittance of US$[ ], being the aggregate amount of the Subscription Price multiplied by the number of Shares in respect of which the Share Option is exercised.] [The Option to which this notice relates is hereby exercised pursuant to paragraph 6(E) of the Plan.][1] I hereby undertake to the Company that I have complied in full with paragraph 6(B) of the Plan.

Words and expressions not otherwise defined in this letter shall have the same meanings ascribed to them in the Plan.

Yours faithfully,

_____

[name of Grantee]

1 If exercising by way of the "Sell All" mode, delete the first sentence of the paragraph; if exercising by way of the "Hold All mode, delete the second sentence of the paragraph.

I-MAB
□□□□

AMENDED AND RESTATED
2018 EMPLOYEE STOCK OPTION PLAN

After Series C Financing

Adopted on Feb. 22th, 2019
Amended on July. 22th , 2019

Amended and Restated 2018 Employee Stock Option Plan

PREFACE

The Company adopted the I-Mab 2018 Employee Stock Option Plan (the "Original Plan") on Feb 22st, 2019. On July 22, 2019, the Board approved and adopted this Amended and Restated 2018 Employee Stock Option Plan of I-Mab□□□□ (this "Plan"), which shall amend and restate the Original Plan in its entirety.

1. DEFINITIONS AND INTERPRETATION

(A) In this Plan, save where the context otherwise requires, the following expressions have the respective meanings set forth opposite them:

"Adoption Date"	February 22, 2019;
"Auditors"	the auditors for the time being of the Company;
"Board"	the board of directors of the Company or a duly authorised committee thereof;
"business day"	any day (excluding Saturday) on which banks in the PRC generally are open for business;
"Change in Control"	means a Corporate Transaction in which immediately after the consummation of such transaction, the Shareholders immediately prior thereto do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or acquiring entity in such transaction, or (B) more 50% of the combined outstanding voting power of the parent of the surviving entity in such transaction, in each case in substantially the same proportions as their ownership immediately prior to such transaction. Notwithstanding the foregoing, the term Change in Control will not include (x) a Listing or a transaction the primary purpose of which is to facilitate a Listing, (y) a transaction the primary purpose of which is to raise capital for the Company, or (z) other transaction effected exclusively for the purpose of changing the domicile of the Company.

“Company”	I-Mab□□□□, a company incorporated in the Cayman Islands;
“Committee”	means a committee of one (1) or more members of the Board to whom authority has been delegated by the Board in accordance with paragraph 3(C);
“Contract”	means, in relation to an Employee, his or her contract of Employment with any of the Employing Entities;
“Corporate Transaction”	the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events: (i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries; (ii) a sale or other disposition of at least 50% of the outstanding securities of the Company; (iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or (iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the Shares outstanding immediately preceding the such transaction are converted or exchanged by virtue of the transaction into other property, whether in the form of securities, cash or otherwise;
“Employee”	any full-time or part-time employee (including, without limitation, an executive director) of the Group and any consultant or adviser of the Group, and “Employment” has a corresponding meaning;
“Employing Entity”	any of I-Mab Biopharma (□□□□□□□□□□□□□□) or I-MAB Biopharma US Limited, as Subsidiaries of the Company.
“Employment Commencement Date”	for purposes of this Plan, with respect to any Employee, the effective date of such Employee’s initial Contract with the relevant Employing Entity.
“Exercise Net Proceeds”	the amount (if any) by which (i) the net proceeds of sale (e.g., after payment of, without limitation, stamp duty, commissions, brokerage and Stock Exchange transaction levy, and withholding tax amount (if applicable)) of the Shares, exceeds (ii) the Subscription Price applicable to such Shares;

“Grantee”	any Employee, or if approved by the Board, designee of any Employee, who accepts an offer in accordance with the terms of this Plan by executing an Offer Letter with the Group, or (where the context so permits) any person who is entitled to any Option in consequence of the death of the original Grantee or other permitted transfer;
“Group”	the Company and its Subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing”	the listing of all or any part of the Company’s or any of its Subsidiaries’ share capital to a recognised stock or other investment exchange or the grant of permission by any stock or other exchange to deal in the same and “Listed” has a corresponding meaning;
“Listing Date”	the day on which dealings in the Shares on the Stock Exchange first commence;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Memorandum and Articles”	the memorandum and articles of association of the Company for the time being in force;
“Offer Letter”	the letter, referred to in paragraph 4(B), the form of which shall be approved by the Board, entered into by and among the Company and a Grantee regarding the offer of an Option;
“Officer”	means any person designated by the Company as an officer;
“Option”	a right granted to subscribe for Shares pursuant to this Plan;
“Option Period”	the period during which the Option can be exercised as set forth in the Offer Letter;
“Option Shares”	Shares allotted and issued to a Grantee pursuant to the exercise of an Option;
“Plan”	this 2018 employee stock option plan in its present form or as amended from time to time in accordance with the provisions hereof;

"Pre-Listing Option Interests"	has the meaning defined in paragraph 10(A);
"PRC"	the People's Republic of China, and for purpose of this Agreement, does not include Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;
"RMB"	Renminbi, the lawful currency of the People's Republic of China;
"Shares"	ordinary shares of US$0.0001 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, redenomination, reclassification or reconstruction of the share capital of the Company from time to time);
"Stock Exchange"	any qualified stock exchange approved by the Board in accordance with the Memorandum and Articles of the Company;
"Subscription Price"	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option, as described in paragraph 5;
"Subsidiary"	a company which is for the time being and from time to time a subsidiary (within the meaning of the Listing Rules) of the Company, irrespective of where the company is incorporated;
"US$"	US Dollar, the lawful currency of the United States;
"Vesting Commencement Date"	means, with respect to a Grantee, the vesting commencement date as indicated in his or her Offer Letter; and
"Vesting Schedule"	the vesting schedule according to which the Option to be issued to the Grantee, as described in paragraph 5.

(B) In this Plan, save where the context otherwise requires:

(i) the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this Plan;

(ii) references to paragraphs are references to paragraphs of this Plan;

(iii) references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;

(iv) expressions in the singular shall include the plural and vice versa;

(v) expressions in any gender shall include other genders; and

(vi) references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises and branches.

2. CONDITION

This Plan shall take effect subject to the passing of a resolution by the Board to approve and adopt this Plan, and to authorise the Board to grant Options to subscribe for Shares hereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under this Plan.

3. DURATION AND ADMINISTRATION

(A) Subject to paragraph 15, this Plan shall be valid and effective for the period of ten (10) years commencing on the Adoption Date after which period no further Options will be granted, but the provisions of this Plan shall in all other respects remain in full force and effect and the Grantees may exercise the Options in accordance with the terms upon which the Options are granted.

(B) This Plan shall be subject to the administration of the Board and the decision of the Board shall be final and binding on all parties. The Board shall have the right (i) to interpret and construe the provisions of the Plan, (ii) to determine the persons who will be awarded Options under the Plan, the number and Subscription Price and other terms (e.g., any performance conditions upon which the exercise of an Option is conditioned) of Options awarded thereto, (iii) to make such appropriate and equitable adjustments to the terms of Options granted under the Plan as it deems necessary, (iv) to amend, add to and/or delete any of the provisions of this Plan, provided that no such amendment, addition or deletion shall adversely affect the rights of any Grantee in respect of any Options granted to such Grantee, (v) to adopt such procedures and rules as are necessary or appropriate to permit participation in the Plan by Employees who are foreign nationals or employed outside of Hong Kong or the PRC (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Option Letter that are required for compliance with the laws of the relevant foreign jurisdiction); and (vi) to make such other decisions or determinations as it shall deem appropriate in the administration of the Plan.

(C) Notwithstanding the foregoing, the Board may delegate any of its powers, authorities and discretions in relation to the Plan to any Committee, and any such delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation. Any delegation of administrative powers will be reflected in written resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(D) The Board may delegate to one or more Officers the authority to do one or both of the following: (i) designate Employees who are not Officers to be recipients of Options and, to the extent permitted by applicable law, the terms of such Options, and (ii) determine the number of Option Shares to be subject to such Options; *provided*, *however*, that the Board resolutions regarding such delegation will specify the total number of Option Shares that may be subject to the Options granted by such Officer and that such Officer may not grant an Option to himself or herself. Any such Options will be granted on substantially the form of Offer Letter most recently approved for use by the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer to determine the fair market value of the Shares.

(E) No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Board nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith.

4. OFFER AND GRANT OF OPTIONS

(A) On and subject to the terms of this Plan, the Board shall be entitled to make an offer to any Grantee as the Board may in its absolute discretion select to take up Options in respect of such number of Shares as the Board may determine at the Subscription Price. Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise (e.g. by linking their exercise to the attainment or performance of milestones by the Company, any Subsidiary, the Grantee or any group of Employees) as the Board may determine, provided such terms and conditions shall not be inconsistent with any other terms and conditions of this Plan.

(B) An Offer Letter shall be made to a Grantee in such form as the Board may from time to time determine requiring the Grantee to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Plan.

(C) A Grantee is not required to pay for the grant of any Option.

(D) The offer of Options under this Plan shall be in compliance with all applicable laws, regulations and exchange rules, whether in PRC, Hong Kong or other jurisdictions of which the Grantee or the Company are then subject to, in connection with offer of Options.

5. SUBSCRIPTION PRICE AND VESTING SCHEDULE

(A) The Subscription Price shall be approved by the Board and shall be set out in the Offer Letter.

(B) Unless otherwise approved by the Board and set forth in an Offer Letter, the Vesting Schedule shall be a two-year vesting schedule consisting of a cliff vesting of fifty percent (50%) on the first (1st) anniversary of the Vesting Commencement Date and, a vesting of the remaining fifty percent (50%) on the second (2nd) anniversary of the applicable Vesting Commencement Date. Notwithstanding the foregoing, if a Listing occurs at any time prior to any Option granted under this Plan becoming fully vested, and to the extent such Option has been granted and outstanding, any such Option shall vest in full with immediate effect upon the Listing, inure to the benefit of the related Grantees.

6. EXERCISE OF OPTIONS

(A) Unless otherwise approved by the Board, 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 (legal or beneficial) in favour of any third party over or in relation to any Option or attempt so to do, except pursuant to paragraph 10 hereof. Notwithstanding the foregoing, in the event of the Grantee ceasing to be an Employee by reason of his/her death, disability or for any other reason that the Board considers valid, before exercising the Option in full, the Grantee's vested Option may be assigned to its representative (to the extent not already exercised). The executor or administrator of a deceased member, the guardian of an incompetent Grantee shall be the only person recognized by the Company as the representative to be assigned with the Option. The production to the Company of any document which is evidence of probate of the will, or letters of administration of the estate, or confirmation as executor, of a deceased member or of the appointment of a guardian of an incompetent Grantee may be accepted by the Company even if the deceased, or incompetent is domiciled outside the Cayman Islands if the document evidencing the grant of probate or letters of administration, confirmation as executor is issued by a foreign court or other competent authorities which had competent jurisdiction in the matter. Any permitted assignment of options shall only be made in a manner that is not prohibited by applicable tax and securities laws.

(B) Except otherwise approved by the Board, an Option, to the extent then vested, shall become exercisable only upon the earlier of (i) six (6) months after a Listing, and (ii) occurrence of a Change in Control; provided, however that in each case, no Option of an Employee shall become exercisable until the third (3rd) anniversary of such Employee's Employment Commencement Date. Notwithstanding the foregoing, the exercise shall be conditioned upon compliance in full with all applicable laws, regulations and exchange rules, whether in PRC, Hong Kong or other jurisdictions of which such Grantee or the Company is then subject to, in connection with the exercise of the Options, including without limitation requirements imposed by the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and, in the case of a Grantee being a national or a resident of the PRC, PRC foreign exchange regulations and rules (e.g., Notice on Relevant Matters regarding Onshore Individuals' Participation in Share Incentive Plan of Offshore Listed Companies issued by the State Administration for Foreign Exchange of the PRC (as amended from time to time) effective as of February 15, 2012, or, Circular of the State Administration of Foreign Exchange on Relevant Issues concerning Foreign Exchange Administration of Offshore Investment and Financing and Inbound Investment through Special Purpose Companies by PRC Residents effective as of July 4, 2014 (as amended from time to time), as applicable). The Board may provide that an Option shall only become exercisable following any approval deemed necessary from the State Administration for Foreign Exchange of the PRC, or other regulatory entity.

(C) An Option may be exercised in whole or in part in the manner as set out in paragraph 6(D) or 6(E) (as the case may be) by the Grantee (or his or her personal representatives) giving notice in writing to the Company in the form of the notice attached hereto as Schedule I, or such other form as may be adopted by the Board from time to time, stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. In addition, a Grantee may be required to enter into a voting trust agreement or power of attorney in favour of ZANG, Jingwu Zhang in his capacity as a founder of the Group, or shareholders' agreement, as a condition to exercise of the Option.

(D) Each notice of exercise of an Option must be accompanied by a remittance for the aggregate amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 30 days after receipt of the notice and remittance and, where appropriate, receipt of the Auditors' certificate pursuant to paragraph 9, the Company shall allot and issue or procure the allotment and issue of the relevant Option Shares to the Grantee (or his or her personal representative) credited as fully paid.

(E) Notwithstanding paragraph 6(D), after a Listing and subject to Company's appointment of an appropriate administrator of the Plan, a Grantee may request by a notice of exercise to the Company to direct and procure the administrator of the Plan to exercise an Option (to the extent exercisable by the Grantee) and sell the relevant Shares, and pay the Grantee in cash an amount equal to the Exercise Net Proceeds in connection with such sale of Shares. It shall be a condition of the exercise of an Option under this paragraph 6(E) that the net proceeds of sale of the relevant Shares (as referred to in the definition of "Exercise Net Proceeds") shall exceed the Subscription Price of such Shares. The Grantee shall provide the Company with such information in relation to the method of making payment as the Company may require, and the making of such payment in accordance with such information shall operate as a complete and absolute discharge of the Company's obligations in respect of a Grantee's exercise of Option pursuant to this paragraph 6(E). If so requested by the Company, a Grantee shall deliver a duly executed receipt of payment contemporaneously with the making of such payment.

(F) Subject to paragraph 10, Option Shares will be subject to the provisions of the Memorandum and Articles of the Company for the time being in force and will rank pari passu with the fully paid Shares in issue as from the date of exercise of the Option and in particular will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of exercise of the Option other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the date of exercise of the Option, provided always that when the date of exercise of the Option falls on a date upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first business day on which the register of members of the Company is re-opened.

(G) Prior to the expiry of the Option Period, any cancellation of Options granted but not exercised shall require the approval of the Board and the Grantee in question. Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of this Plan and applicable law.

(H) Without prejudice to the generality of the foregoing, the Grantee may only exercise an Option subject to any restrictions as may be reasonably imposed by the Board from time to time with a view to ensuring or facilitating compliance with any applicable laws, mandatory rules and/or regulations binding on the Company and/or the Grantee, particularly those relating to insider dealing and other prohibitions under the Listing Rules.

7. LAPSE OF OPTION

(A) General. An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

(i) the expiry of the Option Period;

(ii) two (2) years after the date when the Option becomes exercisable as set for in paragraph 6(B), if not exercised;

(iii) the date when any circumstance in violation of paragraph 6(A) occurs; or

(iv) subject to paragraph 7(B) to (F), on an Grantee ceasing to be an Employee.

(B) Lapse for Death or Illness. Subject to paragraph 7(C), if an Grantee ceases to be an Employee by reason of:

(i) the Grantee's death; or

(ii) the Grantee's serious illness or injury which, in the opinion of the Board, renders the Grantee concerned unfit to perform the duties of his or her Employment and which in the normal course would render the Grantee unfit to continue performing the duties under his or her Contract provided such illness or injury is not self-inflicted or as a result of alcohol or drug abuse;

then, subject to the paragraph 6(B), any unvested Option will immediately lapse and the Grantee or his or her personal representatives (if appropriate) may exercise all his or her vested Options until the later of: (i) 90 days after the date when the Options become exercisable as set for in paragraph 6(B), or (ii) six (6) months after the date of cessation of Employment or directorship, or such longer period as the Board may determine. Any vested Option not exercised prior to the expiry of the above-mentioned period shall lapse.

(C) Lapse on Termination for Cause. If the Board determines that any Grantee ceasing to be an Employee by any of the following reason, (i) any act of grave misconduct or willful default or willful neglect in the discharge of duties of the Grantee with the Group; (ii) without prejudice to the generality of (i) above, being proven to have carried out any fraudulent activity or have fraudulently failed to carry out any activity whether or not in connection with the affairs of the Group; (iii) being convicted of any offence; (iv) being proved to take advantages of such Grantee's position to make interest for him/herself or for others; (v) being proved to appropriate assets of the Group; (vi) serious violation or persistent breach of any terms of the employment agreement, the confidentiality and intellectual property rights assignment agreement, the non-compete and non-solicitation agreement, the anti-bribery agreement or any other agreements entered into by and between such Grantee and any member of the Group; (vii) repeated drunkenness or use of illegal drugs or being addicted to gambling which adversely interferes with or is reasonably expected to adversely interfere with the performance of such Grantee's obligations and duties of employment; and (viii) any other conduct which, as the Board determines in good faith, would justify the termination of his or her Contract, then any Option (whether vested or unvested) held by the Grantee shall immediately lapse (unless the Board resolves otherwise in its absolute discretion).

(D) Lapse on Cessation for Other Reason. If (a) an Grantee ceases to be an Employee for any reason other than those set up in paragraph 7(B) or 7(C) (such termination of Employment, an "Other Termination") at any time prior to the second (2nd) anniversary of the Grantee's Employment Commencement Date, then, any and all of the Grantee's Options, regardless of whether or not then vested, shall immediately lapse upon such Other Termination; (b) an Other Termination occurs at any time on or from the second (2nd) anniversary of an Grantee's Employment Commencement Date and prior to the third (3rd) anniversary of his or her Employment Commencement Date, then, fifty (50%) percent of the vested Options then held by him/her shall be repurchased by the Company at the price as set forth in the Offer Letter (the "Early Termination Repurchase Price"), and all remaining part of his or her Options, regardless of whether or not then vested, shall immediately lapse upon such Other Termination; or (c) an Other Termination occurs at any time on or from the third (3rd) anniversary of an Grantee's Employment Commencement Date, then, subject to paragraph 6(B), any unvested Option will immediately lapse and the Grantee or his or her personal representatives (if appropriate) may exercise all his or her vested Options until later of: (i) 90 days after the date when the Options become exercisable as set for in paragraph 6(B), or (ii) 30 days after the date of cessation of Employment or directorship, or such longer period as the Board may otherwise determine. Any vested Option not exercised prior to the expiry of the above-mentioned period shall immediately lapse.

(E) Lapse on a General Offer or Corporate Transaction. An unexercised Option may lapse as provided in paragraphs 9(B) or 9(C) hereof in the case of a General Offer or a Corporate Transaction.

(F) Lapse on Winding-up. If notice is duly given of a resolution for the voluntary winding-up of the Company, vested Options may, subject to paragraph 6(B), be exercised prior to the date of the resolution. The Grantee shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation pari passu with the holders of the Shares in issue on the day prior to the date of such resolutions.

8. MAXIMUM NUMBER OF SHARES SUBJECT TO OPTIONS

(A) The maximum number of Shares in respect of which Options may be granted under this Plan shall not, subject to paragraph 9, exceed 14,005,745 Shares in the aggregate, representing 11.00% of the issued share capital of the Company as of the Adoption Date (on a fully diluted and as converted basis). Notwithstanding the foregoing, if the Company successfully listed on a Stock Exchange by December 31, 2019, or this condition is waived by the parties to the shareholders agreement of the Company pursuant to the terms thereof, the maximum number of Shares in respect of which Options may be granted under this Plan and any other share option plan of the Company shall not, subject to paragraph 9, exceed 15,452,620 Shares in the aggregate.

(B) Unless otherwise approved by the Board, no Employee shall be granted an Option which, if exercised in full, would result in such Employee becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued under all the Options previously granted to him which have been exercised, and, issuable under all the Options previously granted to him which are for the time being subsisting and unexercised, would exceed ten percent (10%) of the aggregate number of Shares for the time being issued and issuable under this Plan.

(C) The maximum number of Shares referred to in paragraphs 8(A) and 8(B) will be adjusted, in such manner as an independent financial adviser or the Auditors (acting as experts and not as arbitrators) shall confirm to the Board in writing in the terms set out in paragraph 9 below or otherwise as the Board deems appropriate, in the event of any alteration in the capital structure of the Company whether by way of capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company or otherwise howsoever.

(D) Notwithstanding the foregoing, Shares that are subject to or underlie Options granted under this Plan that expire or for any reason are cancelled or terminated without having been exercised (or Shares subject to or underlying the unexercised portion of such Options in the case of Options that were partially exercised), or Option Shares or Options repurchased by the Company pursuant to paragraph 10, to the extent cancelled by the Company after such repurchase, will again, except to the extent prohibited by law or applicable listing or regulatory requirements, be available for subsequent Options grants under this Plan.

9. REORGANISATION OF CAPITAL STRUCTURE AND OTHER CORPORATE EVENTS

(A) Reorganisation of Capital Structure. In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, sub-division, or reduction of the share capital of the Company or otherwise howsoever in accordance with legal requirements, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party or an issue of shares pursuant to, or in connection with, any share option plan, share appreciation rights plan or any arrangement for remunerating or incentivising any employee, consultant or adviser to the Company or any Subsidiary or in the event of any distribution of the Company's capital assets to its shareholders on a pro rata basis (whether in cash or in specie) other than dividends paid out of the net profits attributable to its shareholders for each financial year of the Company, such corresponding alterations (if any) shall be made to:

(i) the number or nominal amount of Shares subject to the Option so far as unexercised;

(ii) the Subscription Price;

or any combination thereof, as an independent financial adviser or the Auditors shall confirm to the Board in writing, either generally or as regard any particular Grantee, to have given a participant the same proportion (or rights in respect of the same proportion) of the equity capital as that to which that person was previously entitled, but that no such adjustments be made to the extent that a share would be issued at less than its nominal value. The capacity of the independent financial adviser or Auditors (as the case may be) in this paragraph is that of experts and not of arbitrators and their confirmation shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the independent financial adviser or Auditors (as the case may be) shall be borne by the Company.

(B) General Offer. If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all shareholders of the Company (or all such shareholders other than the offeror and/or any person controlled by the offeror and /or any person associated with or acting in connect with the offeror) (a "General Offer"), the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them which at the time vested, shareholders of the Company. If such offer becomes or is declared unconditional or such scheme or arrangements is formally proposed to shareholders of the Company, the Grantee shall, notwithstanding any other terms on which his or her Options were granted (provided that any performance condition must first be satisfied), be entitled to exercise his or her vested Options at any time up until (i) the close of such offer (or any revised offer); or (ii) the record date for entitlements under a scheme of arrangement, as applicable, and any unexercised Options will immediately lapse on the close of business on such date.

(C) Corporate Transaction. The following provisions will apply to Options in the event of a Corporate Transaction (including a Change in Control) unless otherwise provided in the Option Letter or any other written agreement between the Company or any Grantee or unless otherwise expressly provided by the Board at the time of grant of an Option. In the event of a Corporate Transaction, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to Options, contingent upon the closing or completion of the Corporate Transaction:

(i) arrange for the surviving entity or acquiring company (or the surviving or acquiring company's parent company) to assume or continue the Option or to substitute a similar award for the Option (including, but not limited to, an option to acquire the same consideration paid to the shareholders of the Company pursuant to the Corporate Transaction);

(ii) accelerate the vesting, in whole or in part, of the Option (and, if applicable, the time at which the Option may be exercised) to a date prior to the effective time of such Corporate Transaction as the Board determines (or, if the Board does not determine such a date, to the date that is five (5) days prior to the effective date of the Corporate Transaction), with such Option terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction; provided, however, that the Board may require Grantees to complete and deliver to the Company a notice of exercise before the effective date of a Corporate Transaction, which exercise is contingent upon the effectiveness of such Corporate Transaction;

(iii) cancel or arrange for the cancellation of the Option, to the extent not vested prior to the effective time of the Corporate Transaction, and pay such cash consideration (or no consideration) as the Board, in its sole discretion, may consider appropriate; and

(iv) make a payment for each vested Option, in such form as may be determined by the Board equal to the excess, if any, of (x) the per share amount payable to holders of Shares in connection with the Corporate Transaction, over (y) any exercise price payable by such holder in connection with such exercise, multiplied by the number of vested Shares under the Option. This payment may be $0 if the per share amount payable in respect of a Share in the Corporate Transaction is equal to or less than the Subscription Price. In addition, any escrow, holdback, earnout or similar provisions in the definitive agreement for the Corporate Transaction may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Shares.

The Board need not take the same action or actions with respect to all Options or portions thereof or with respect to all Grantees in a Corporate Transaction. The Board may take different actions with respect to the vested and unvested portions of an Option. Notwithstanding the foregoing, in the event the Corporate Transaction is conducted for the purpose of Listing on a Stock Exchange in the PRC, the Company shall arrange for the PRC listing entity to assume or continue the Options or to substitute a similar award for the Options.

(D) Accelerated Vesting on a Change in Control. The Board may provide that an Option may be subject to additional acceleration of vesting upon or after a Change in Control or as may be provided in any other written agreement between the Company and the Grantee, but in the absence of such provision, no such acceleration will occur.

(E) Effectiveness of this paragraph 9. This paragraph 9 shall terminate in its entirety upon a Listing.

10 RIGHT OF REPURCHASE OF SHARES OR OPTIONS

(A) Notwithstanding any provision herein to the contrary, unless otherwise approved by the Board and set forth in an Offer Letter, prior to a Listing, after a Grantee's termination of employment by or services to the Company or any of its Subsidiaries, any Option Share issued by the Company as a result of the exercise of an Option of such Grantee or any vested Option held by such Grantee (collectively, "Pre-Listing Option Interests") shall be subject to a right, but not an obligation, of repurchase by the Company and/or its assignee(s) (the "Right of Repurchase"), at the price as set forth in the Offer Letter (the "Repurchase Price").

(B) If the Company wishes to exercise its Right of Repurchase, it shall give notice thereof to the Grantee, and the Grantee shall immediately endorse and deliver to the Company the share certificate(s) representing the Option Shares being repurchased (if applicable) and take all such actions and do all such things as necessary for effecting the Right of Repurchase, and the Company shall then promptly pay, pursuant to the provisions of clause 10(C) below, the total Repurchase Price to the Grantee. If the Company exercises its Right of Repurchase, it may exercise its right with respect to all or part of the Pre-Listing Option Interests.

(C) The Repurchase Price shall be paid first by cancellation of any obligation for accrued but unpaid interest outstanding under notes issued by the Grantee upon purchase of the Option Shares (if any), next by cancellation of principal outstanding under such notes (if any), and finally by payment in cash of the balance due.

(D) The Right of Repurchase shall terminate upon the earlier to occur of (i) a Listing; or (ii) such other event and/or conditions as the Board may determine in its sole discretion.

11. SHARE CAPITAL

The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

12. DISPUTES

Any dispute arising in connection with this Plan (whether as to the number of Shares which are the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditors, who shall act as experts and not as arbitrators and whose decision shall be final and binding upon all persons affected thereby.

13. ALTERATION OF THIS PLAN

This Plan may be altered in any respect by the prior approval of the Board, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration, except with the consent or sanction of such majority of the Grantees as would be required of the shareholders of the Company under the Memorandum and Articles for the time being of the Company for a variation of the rights attached to the Shares.

14. TAX LIABILITY

The Grantee shall be solely liable to pay all taxes and other levies which may be assessed or assessable on any payments made by the Company hereunder and all payments required to be made hereunder by the Company shall be subject to the deduction or withholding of such amounts as the Board may reasonably determine is necessary or desirable by reason of any liability to tax or obligation to account for tax or loss of any relief from tax which may fall on the Company or any Subsidiary in respect of, or by reason of such payment or the exercise of an Option, and the Grantee agrees to indemnify and keep the Company (for itself and as trustee for its subsidiaries) indemnified in respect of any such liability, obligation or loss and accepts that any claim in respect of such indemnity may be satisfied by set-off against any sums due from the Company or any Subsidiary to such Grantee from time to time. In the event that any tax liability becomes due on the exercise of an Option for which the Company is required to account to, the Option may not be exercised unless the Grantee has made a payment to the Company an amount equal to such tax liability.

15. TERMINATION

The Board may at any time terminate the operation of this Plan and in such event no further Options will be offered but in all other respects the provisions of this Plan shall remain in full force and effect.

16. MISCELLANEOUS

(A) This Plan shall not form part of any contract of employment between the Company or any Subsidiary and any Employee or Grantee, and the rights and obligations of any Employee or Grantee under the terms of his or her office or employment shall not be affected by his or her participation in this Plan or any right which he or she may have to participate in it and this Plan shall afford such Employee or Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

(B) This Plan shall not confer on any person any legal or equitable right (other than those rights constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

(C) The Company shall bear the costs of establishing and administering this Plan.

(D) Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business or such other address as notified to the Grantee from time to time and, in the case of the Grantee, his or her address as notified to the Company from time to time or as indicated in his or her identity certificate provided by him or her to the Company or its Subsidiaries.

(E) Any notice or other communication served by post:

(i) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and

(ii) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.

(F) All allotments and issues of Shares will be subject to all necessary consents under any relevant legislation for the time being in force in the Cayman Islands and a Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Plan.

(G) This Plan and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

(H) The Company and the Grantees shall agree and acknowledge that the information of this Plan and the Offer Letter shall, to the extent required by the applicable securities and other laws, be disclosed to meet the requirements of such applicable securities and other laws governing such disclosures.

I-MAB□□□□
2018 EMPLOYEE STOCK OPTION PLAN

ADDENDUM FOR U.S. GRANTEES

1. Purpose and Applicability

(a) This Addendum for U.S. Grantees (the "**U.S. Addendum**") applies to Grantees of the I-Mab□□□□ 2018 Employee Stock Option Plan (the "**Plan**") who are either U.S. residents or U.S. taxpayers (each such Grantee, a "**U.S. Grantee**"). The purpose of the U.S. Addendum is to facilitate compliance with U.S. tax, securities and other applicable laws, and to permit the Company to issue tax-qualified Incentive Stock Options (as defined below) to eligible U.S. Grantees.

(b) Except as otherwise provided by the U.S. Addendum, all Options granted to U.S. Grantees will be governed by the terms of the Plan, when read together with the U.S. Addendum. In any case of an irreconcilable contradiction (as determined by the Board) between the provisions of the U.S. Addendum and the Plan, the provisions of the U.S. Addendum will govern. Capitalized terms contained herein have the same meanings given to them in the Plan, unless otherwise provided by the U.S. Addendum.

(c) This Addendum is effective as of February 22, 2019 (the "**Effective Date**").

2. Definitions

In the U.S. Addendum, the following words will have the meaning as defined below:

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Incentive Stock Option**" or "**ISO**" means an Option that is intended to be, and qualifies as, an incentive stock option within the meaning of Section 422 of the Code.

"**Majority-Owned Subsidiary**" means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%).

"**Nonstatutory Stock Option**" or "**NSO**" means an Option that does not qualify as an Incentive Stock Option.

"**Parent**" means a corporation, whether now or hereafter existing, in an unbroken chain of corporations *ending* with the Company, if each corporation other than the Company owns shares possessing 50% or more of the total combined voting power of all classes of shares in one of the other corporations in such chain, as provided in the definition of a "parent corporation" contained in Section 424(e) of the Code.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Ten Percent Shareholder**" means person who owns (or is deemed to own pursuant to Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of outstanding securities of the Company or any Parent or Majority-Owned Subsidiary.

"**U.S.**" means the United States of America.

2. Additional Terms Applicable to All Options Granted to U.S. Grantees.

(a) Minimum Subscription Price. Subject to the provisions of paragraph 4(e) below regarding Grantees who are Ten Percent Shareholders, the Subscription Price of each Option will be not less than 100% of the fair market value of the Stock on the date the Option is granted. Notwithstanding the foregoing, an Option may be granted with a Subscription Price lower than 100% of the fair market value of the Shares if such Option is granted pursuant to an assumption of or substitution for another option pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code.

(b) Grants to Consultants. A consultant, contractor or advisor and that is a resident of the U.S. is not an Employee for the grant of an Option if, at the time of grant, either the offer or sale of the Option to such person is not exempt under Rule 701 of the Securities Act because the consultant is not a natural person, the services that the consultant is providing to the Company are in connection with a capital raising transaction or directly or indirectly serve to promote or maintain a market for the Company's securities, or because of any other provision of Rule 701 of the Securities Act, *unless* the Company determines that such grant need not comply with the requirements of Rule 701 of the Securities Act and will satisfy another exemption under the Securities Act as well as comply with the securities laws of the U.S. state of residence of the consultant and all other applicable jurisdictions.

(c) No Cash Settlement on Exercise of Options. The Board may not grant to any U.S. Grantee an Option where the U.S. Grantee may receive a cash payment upon exercise of the Option in lieu of Shares if such Option would result in a violation of Section 457A of the Code. For clarity, this provision does not prohibit the Board for providing for the cancellation of Options pursuant to paragraph 9(C) of the Plan in connection with a Corporate Transaction.

(d) Section 409A and Section 457A of the Code. Unless otherwise expressly provided for in an Offer Letter, the terms applicable to Options granted under the U.S. Addendum will be interpreted to the greatest extent possible in a manner that makes the Options exempt from Section 409A and Section 457A of the Code, and, to the extent not so exempt, that brings the Options into compliance with Section 409A and Section 457A of the Code. Notwithstanding anything to the contrary in the Plan (and unless the Offer Letter or other written contract with the U.S. Grantee specifically provides otherwise), if the Shares are publicly traded, and if a U.S. Grantee of an Option that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" under Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such U.S. Grantee's "separation from service" or, if earlier, the date of the U.S. Grantee's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

3. Provisions Applicable to Incentive Stock Options

(a) Eligible Recipients of ISOs. As provided in Section 422(a)(2) of the Code, Incentive Stock Options may be granted only to employees of the Company, a Parent or a Majority-Owned Subsidiary. Consultants, advisors and non-employee directors are not eligible to receive Incentive Stock Options.

(b) Designation of ISO Status. The Board action approving the grant of an Option to a U.S. Grantee and the Offer Letter must specify that such Option is intended to be an Incentive Stock Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option.

(c) Maximum Shares Issuable On Exercise of ISOs. Subject to the adjustment pursuant to the provisions of paragraphs 8(C) of the Plan, the maximum aggregate number of Shares that may be subject to Options that are designated as Incentive Stock Options is 15,000,000 Shares.

(d) No Transfer. As provided by Section 422(b)(5) of the Code, an Incentive Stock Option may not be transferable except by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of the U.S. Grantee only by the U.S. Grantee. If the Board elects to allow the transfer of an Option that is designated as an Incentive Stock Option, such transferred Option will automatically become a Nonstatutory Stock Option as of the date of transfer.

(e) Additional Limits for Ten Percent Stockholders. As provided by Section 422(c)(5) of the Code, a person is a Ten Percent Shareholder will not be eligible for the grant of an Incentive Stock Option *unless* (i) the exercise price is at least 110% of the fair market value of a Share on the date of grant and (ii) such Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the date of grant.

(f) US $100,000 Limit. As provided by Section 422(d) of the Code and applicable regulations thereunder, to the extent that the aggregate fair market value (determined at the time of grant) of Shares with respect to which Incentive Stock Options are exercisable for the first time by any U.S. Grantee during any calendar year (under all plans of the Company and any Affiliates) exceeds US$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Offer Letter(s).

(g) Post-Termination Exercise Period. To obtain the U.S. federal income tax advantages associated with an Incentive Stock Option, the U.S. Internal Revenue Code requires that at all times beginning on the date of grant and ending on the day three months before the date of exercise of the Option, the U.S. Grantee must be an employee of the Company or a Parent or a Majority-Owned Subsidiary (except in the event of the Grantee's death or disability, in which case longer periods may apply). Any Incentive Stock Option that provides for a post-termination exercise period in excess of three months from the termination of the U.S. Grantee's employment status will automatically be treated as Nonstatutory Stock Option following such three month period.

(h) Leave of Absence. As provided by Section 422 of the Code and applicable regulations thereunder, if a U.S. Grantee is on an approved leave of absence that exceeds three months (unless reemployment upon expiration of such leave is required by statute or contract), then on the date six months following the first day of such leave, any Incentive Stock Option held by a U.S. Grantee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

(i) Loss of ISO Status Upon a Reorganisation or Repricing. In connection with the adjustment of Options in connection with a reorganisation as provided in paragraph 9(A) of the Plan, or a repricing where the Subscription Price of such Options is higher than the the-current fair market value of the Shares, the Board may provide for the adjustment of Options in a manner that results in the loss of Incentive Stock Option status without the consent of the U.S. Grantee, *provided* that such adjustment or repricing (i) complies with Section 409A of the Code, and (ii) the loss of Incentive Stock Option status is the only adverse change to the Option.

4. Shareholder Approval of U.S. Addendum

An Incentive Stock Option granted pursuant to the U.S. Addendum may not be exercised until such time as the Plan and the U.S. Addendum have been approved by at least a majority of the Shareholders of the Company.

5. Term, Amendment and Termination

(a) The Board may amend, suspend or terminate this U.S. Addendum at any time. Unless terminated sooner by the Board, the U.S. Addendum will terminate automatically upon the earlier of (i) 10 years after the Effective Date and (ii) the termination of the Plan. No Incentive Stock Options may be granted under the U.S. Addendum while either the Plan or the U.S. Addendum is suspended or after the Plan or the U.S. Addendum is terminated.

(b) If this U.S. Addendum is terminated, the provisions of this U.S. Addendum and any administrative guidelines, and other rules adopted by the Board and in force at the time of suspension or termination of this U.S. Addendum, will continue to apply to any outstanding Options as long as an Option issued pursuant to the U.S. Addendum remain outstanding.

(c) No amendment, suspension or termination of the U.S. Addendum may materially adversely affect any Options granted previously to any U.S. Grantee without the consent of the U.S. Grantee.

Schedule I

[Date]

[ ]

I-Mab□□□□

Dear Sir,

Re: Employee Stock Option Plan

I hereby give notice that the Option granted to me under the 2018 Employee Stock Option Plan (the "Plan") of I-Mab□□□□ adopted on February 22, 2019 as amended from time to time in accordance with the provisions thereof is hereby exercised in respect of [ ] Shares.

[The Option to which this notice relates is hereby exercised pursuant to paragraph 6(D) of the Plan. I enclose the remittance of US$[ ], being the aggregate amount of the Subscription Price multiplied by the number of Shares in respect of which the Share Option is exercised.] [The Option to which this notice relates is hereby exercised pursuant to paragraph 6(E) of the Plan.][1] I hereby undertake to the Company that I have complied in full with paragraph 6(B) of the Plan.

Words and expressions not otherwise defined in this letter shall have the same meanings ascribed to them in the Plan.

Yours faithfully,

_____

[name of Grantee]

1 If exercising by way of the "Sell All" mode, delete the first sentence of the paragraph; if exercising by way of the "Hold All mode, delete the second sentence of the paragraph.

Exhibit 10.5

SERIES C-1 SHARE PURCHASE AGREEMENT

July 25, 2019

SERIES C-1 SHARE PURCHASE AGREEMENT

THIS SERIES C-1 SHARE PURCHASE AGREEMENT (this "**Agreement**") is made as of July 25, 2019 by and among:

1. I-MAB, an exempted company duly with limited liability incorporated and validly existing under the laws of the Cayman Islands (the "**Company**");

2. I-MAB BIOPHARMA HONGKONG LIMITED, a limited liability company duly incorporated and validly existing under the laws of Hong Kong (the "**HK Subsidiary**");

3. I-MAB BIO-TECH (TIANJIN) CO., LTD. (□□□□□□□□□□□□□□□), a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC (the "**PRC Subsidiary**");

4. I-MAB Biopharma US Limited, a limited liability company duly incorporated and validly existing under the laws of the State of Maryland (the "**US Subsidiary**");

5. The persons listed in Schedule I hereto (each individually, a "**Founder**" and collectively, the "**Founders**");

6. MABCORE LIMITED, a BVI business company with limited liability duly incorporated and validly existing under the laws of the British Virgin Islands (the "**Founders Holdco**"); and

7. The persons listed in Schedule II hereto (each individually, an "**Investor**" and collectively, the "**Investors**"). For the purpose of this Agreement, Caesar Pro Holdings Limited shall be referred to as the leading investor (the "**Leading Investor**") and Hongkong Tigermed Co., Limited shall be referred to as Tigermed ("**Tigermed**").

RECITALS

A. WHEREAS, the Group Companies (as defined below) are engaged in the business of research, development of pharmaceutical products; the commercialization, production and sale of pharmaceutical products; the transfer of technology, technical services and technical consulting reasonably proposed to be conducted by the Group Companies after the Group Companies obtain the relevant licenses with respect to such production or sale (the "**Principal Business**"); and

B. WHEREAS, the Company desires to sell and issue to the Investors and each Investor desires to purchase from the Company certain Series C-1 Preferred Shares (as defined below) pursuant to the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

SECTION 1

SALE AND ISSUANCE OF SHARES

1.1. Sale and Issuance of the Series C-1 Preferred Shares. Subject to the terms and conditions of this Agreement, on or prior to the Closings (being both the Initial Closing (as hereinafter defined) and the Tigermed Closing (as hereinafter defined), and the Closing being either the Initial Closing or the Tigermed Closing), the Company shall have authorized the issue pursuant to this Agreement of up to an aggregate of 4,726,735 Series C-1 preferred shares of the Company with a US$0.0001 par value for each share (the "**Series C-1 Preferred Shares**"), among which an aggregate of 4,571,429 Series C-1 Preferred Shares will be issued and sold to the Investors at the Closings pursuant to Section 1.2 below and up to 155,306 Series C-1 Preferred Shares will be conditionally issued and sold to the Investors pending the Series C-1 Additional Issuance of Warrant Exercise in accordance with Section 1.3 below.

1.2. Payment of Purchase Price.

(a) Subject to the terms and conditions hereof and in consideration of the Initial Purchase Price set forth below, the Company hereby agrees to sell and issue to the Investors (except Tigermed) at the Initial Closing, and each Investor hereby agrees, severally and not jointly, to purchase from the Company at the Initial Closing, the aggregate number of Series C-1 Preferred Shares set forth in the column captioned "Total No. of Series C-1 Preferred Shares Subscribed" opposite the respective Investor's name on Schedule II Part A, at a price of US$7.00 per share, amounting to an aggregate purchase price of US$27,000,000 (the "**Initial Purchase Price**").

(b) Subject to the terms and conditions hereof and in consideration of the Tigermed Purchase Price set forth below, the Company hereby agrees to sell and issue to Tigermed at the Tigermed Closing, and Tigermed hereby agrees to purchase from the Company at the Initial Closing, the aggregate number of Series C-1 Preferred Shares set forth in the column captioned "Total No. of Series C-1 Preferred Shares Subscribed" opposite Tigermed's name on Schedule II Part A, at a price of US$7.00 per share, amounting to an aggregate purchase price of US$5,000,000 (the "**Tigermed Purchase Price**", together with the Initial Purchase price, the "**Purchase Price**").

(c) The Purchase Price is based on a pre-money valuation of the Group on a fully-diluted basis (with an aggregate of 124,881,677 shares of the Company assuming that (i) 9,941,650 Ordinary Shares reserved for issuance under the Company's ESOP Plan(s) adopted prior to the 2018 ESOP Plan have been issued; (ii) 14,997,680 Ordinary Shares reserved for issuance under the 2018 ESOP Plan have been issued; and (iii) the conversion option attached to the Genexine Convertible Bond and Tranche II of Series B Warrant have not been exercised) of US$874,171,739. The Leading Investor shall not be obligated to complete the purchase of any Series C-1 Preferred Shares unless the Series C-1 Preferred Shares in the aggregate purchase price of no less than US$25,000,000 have been or are issued to the Investors (including the Leading Investor but excluding Tigermed) at the Initial Closing with the Leading Investor.

1.3. Price Adjustment. In the event of the exercise of the Tranche II of Series B Warrant by the Warrant Holders, the Company shall adjust the issue price of Series C-1 Preferred Shares (namely US$7.0 per share) to US$6.77 per share and issue an additional 155,306 Series C-1 Preferred Shares to the Investors on a pro rata basis in proportion to the Purchase Price paid by each Investor at par value as a compensation (the "**Series C-1 Additional Issuance for Warrant Exercise**"). The Series C-1 Additional Issuance for Warrant Exercise shall be conducted as soon as possible after the exercise of the Tranche II of Series B Warrant and in any event no later than ten (10) Business Days after the aforesaid exercise. Upon the closing of the Series C-1 Additional Issuance for Warrant Exercise, the aggregate number of Series C-1 Preferred Shares issued to the Investors shall be 4,726,735, with the updated shareholdings of each Investor as reflected in the column captioned "Total No. of Series C-1 Preferred Shares Subscribed" on Schedule II Part B.

SECTION 2

CLOSING

2.1. The closing of the subscription and issuance of the Series C-1 Preferred Shares hereunder shall take place remotely via the exchange of documents and signatures.

2.2. Closings.

(a) The Company shall allot and issue the amount of Series C-1 Preferred Shares of the Company as purchased by such Investor (except Tigermed) pursuant to this Agreement (the "**Initial Closing**") on the date of the Initial Closing (the "**Initial Closing Date**"), which will be on the fifteen (15th) Business Days following the satisfaction or waiver (where applicable) of all the conditions set forth in Section 6 and Section 7 (other than those conditions to be satisfied at the Initial Closing, but subject to the satisfaction or waiver thereof at the Initial Closing), or at such other date as the Company and the Investors (except Tigermed) may mutually agree.

(b) The Company shall allot and issue the amount of Series C-1 Preferred Shares of the Company as purchased by Tigermed pursuant to this Agreement (the "**Tigermed Closing**") on the date of the Tigermed Closing (the "**Tigermed Closing Date**"), which will be on September 25, 2019 following the satisfaction or waiver (where applicable) of all the conditions set forth in Section 6A and Section 7 (other than those conditions to be satisfied at the Tigermed Closing, but subject to the satisfaction or waiver thereof at the Tigermed Closing), or at such other date as the Company and Tigermed may mutually agree.

(c) The bank account information is set forth below:

Account Name: I-MAB

Account Number: ***

Swift Code: ***

Name of bank: ***

Bank Address: ***

Each Investor shall, severally and not jointly, pay, or procure the payment of, its portion of the Purchase Price as set forth opposite its name on Schedule II at the Closing by wire transfer of immediately available funds to an account designated by the Company on the Initial Closing Date or the Tigermed Closing Date, as applicable.

2.3. For the avoidance of doubt, Closing may be consummated by the Company with one or more Investors, and the Closings with different Investors are not conditional upon each other.

2.4. Schedule III Part A hereof sets forth a complete list of all outstanding shareholders of the Company immediately prior to the Initial Closing and after the Tigermed Closing, indicating the type and number of shares held by each such shareholder (assuming that none of the 155,306 Series C-1 Shares has been issued and by the Company to the Investors under the Series C-1 Additional Issuance).

2.5. Schedule III Part B hereof sets forth a complete list of all outstanding shareholders of the Company immediately prior to the Initial Closing and after the Tigermed Closing, indicating the type and number of shares held by each such shareholder (assuming that all of the 155,306 Series C-1 Shares have been issued and allotted by the Company to the Investors under the Series C-1 Additional Issuance for Warrant Exercise).

2.6. Deliveries.

(a) At the Initial Closing, the Company shall, and the Founders shall cause the Company to, deliver to each Investor (except Tigermed), in addition to any item the delivery of which is made an express closing condition pursuant to Section 6 hereof, (i) a photocopy of the duly executed share certificate representing the Series C-1 Preferred Shares of the Company being purchased by each Investor at the Initial Closing with the original copy being delivered within three (3) Business Days after the Initial Closing, and (ii) a copy of the updated register of members of the Company reflecting each Investor (except Tigermed) as the holder of such Series C-1 Preferred Shares, certified by the Company's registered office provider as true and complete as of the Initial Closing Date.

(b) At the Tigermed Closing, the Company shall, and the Founders shall cause the Company to, deliver to Tigermed, in addition to any item the delivery of which is made an express closing condition pursuant to Section 6A hereof, (i) a photocopy of the duly executed share certificate representing the Series C-1 Preferred Shares of the Company being purchased by Tigermed at the Tigermed Closing with the original copy being delivered within three (3) Business Days after the Tigermed Closing, and (ii) a copy of the updated register of members of the Company reflecting Tigermed as the holder of such Series C-1 Preferred Shares, certified by the Company's registered office provider as true and complete as of the Tigermed Closing Date.

SECTION 3

REPRESENTATIONS AND WARRANTIES OF THE INVESTORS

Each Investor hereby, severally but not jointly, represents and warrants to the Group Companies, the Founders Holdco and each Founder as of the date hereof and as of the applicable Closing as follows:

3.1. Authorization. Such Investor has all requisite power, authority and capacity to enter into the Transaction Documents (as defined below) to which it is a party, and to carry out and perform its obligations thereunder. This Agreement has been duly authorized, executed and delivered by the Investor. The Transaction Documents, when executed and delivered by the Investor, constitutes valid and legally binding obligations of the Investor, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

3.2. Purchase for Own Account. Such Investor represents and warrants that it is acquiring the Series C-1 Preferred Shares and solely for investment for the Investor's and/or its Affiliates own account not as a nominee or agent, and not with a view to the instant resale or distribution of any part thereof, and that such Investor has no present intention of selling, granting any participation in, or otherwise distributing the same except for resale or distribution of any part thereof to the Investor's Affiliates.

SECTION 4

REPRESENTATIONS AND WARRANTIES OF THE WARRANTORS

Each of the Company, the Founders Holdco and the Founders (collectively, the "**Warrantors**", and each a "**Warrantor**") jointly and severally represents and warrants to each Investor that the statements contained in this Section 4 are true, complete and correct with respect to each Group Company on and as of the date hereof and the Initial Closing. In this Agreement, any reference to a party's "**Knowledge**" means such party's actual knowledge after due and diligent inquiries of the Key Employees, officers appointed to vice-president level positions (or above), officers appointed to senior director level positions (or above) and executive directors on the board of directors of each Group Company (collectively, the "**Senior Management**") reasonably believed to have knowledge of the matter in question, and in this Section 4, any reference to "**Material Adverse Effect**" means the material adverse effect on the condition (financial or otherwise), assets relating to, or results of operation of or business (as presently conducted and proposed to be conducted) of any Group Company. Disclosures contained in the Disclosure Schedule attached hereto as Schedule V, with specific reference to the paragraphs of this Agreement to which such disclosures are related to, shall be deemed to be exceptions to the warranties only if such disclosures are fully, specifically and accurately stated therein. For the purpose of this Agreement, "**Group Companies**" shall mean the Company, the HK Subsidiary, the US Subsidiary, the PRC Subsidiary and any subsidiaries (Controlled either by equity or contract or otherwise) of the foregoing collectively, and each individually, a "**Group Company**".

4.1. Organization, Good Standing and Qualification.

Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, or by virtue of, the laws of the jurisdiction of its incorporation or establishment, and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. Each Group Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

4.2. Capitalization. Immediately prior to the Initial Closing, the authorized share capital of the Company consists of the following:

(a) Ordinary Shares. A total of 398,069,815 authorized Ordinary Shares (as defined in the Restated Articles);

(b) Preferred Shares. A total of 101,930,185 authorized Preferred Shares (as defined in the Restated Articles), the breakdown of which is set out in Schedule III (including the authorized but unissued 4,726,735 Series C-1 Preferred Shares).

(c) Options, Warrants, Reserved Shares. Except for (i) the conversion privileges of the Preferred Shares, (ii) the preemptive rights, the rights of first refusal, or any other preferred rights provided in the Third Amended and Restated Shareholders Agreement by and among the Company, the Founders, the Founders Holdco, and other parties thereto, as amended from time to time (the "**Existing SHA**"), the Fifth Amended and Restated Memorandum and Articles of Association of the Company (the "**Restated Articles**", the form of which is set forth in Exhibit A hereof) and the Fourth Amended and Restated Shareholders Agreement by and among the Company, the Founders, the Founders Holdco, and other parties thereto (as amended) (the "**Shareholders Agreement**", the form of which is set forth in Exhibit B hereof); (iii) the stock options that have been granted to the employees and the management team, as set forth in Schedule III hereof; (iv) the exercise by Warrant Holder of Tranche II of Series B Warrant in the event that the Company fails to submit a draft registration statement to an internationally recognized securities exchange or a securities regulatory governmental authority for a Qualified Public Offering by July 31, 2019; (v) an additional issuance of Series C Preferred Shares upon the full or partial exercise of the Tranche II of Series B Warrant in accordance with the Existing SHA; and (vi) the conversion option attaching to a convertible note granted to GENEXINE, INC. ("**GENEXINE**") pursuant to the GENEXINE Loan Agreement, there are no options, warrants, conversion privileges, share plan, share purchase or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any equity interest or registered share capital of any Group Company. As of the Initial Closing, written confirmations issued by the Warrant Holders, have been delivered to the Investors, stating that: (i) only when the Company fails to submit a draft registration statement to an internationally recognized securities exchange or a securities regulatory governmental authority for a Qualified Public Offering by July 31, 2019, can the Warrant Holders exercise Tranche II of Series B Warrant on a pro rata basis; (ii) otherwise, the Warrant Holders shall unconditionally and irrevocably waive and cancel Tranche II of Series B Warrant; and (iii) the Tranche II of Series B Warrant may only be concurrently exercised by all the Warrant Holders in one lump. In no event there shall be an exercise by any Warrant Holder of Tranche II of Series B Warrant by installments. Except as set out in this Section 4.2(c), no shares of any Group Company's issued and outstanding share capital, registered share capital, or shares issuable upon exercise or exchange of any issued and outstanding options or other shares issuable by any Group Company, are subject to any encumbrance, preemptive rights, rights of first refusal or other rights to purchase such shares (whether in favor of such Group Company or any other person). All the options and warrants as stated above have been duly issued without any potential dispute. All presently outstanding equity securities of each Group Company were duly and validly issued in compliance with all applicable Laws, preemptive rights of any person, and applicable contracts (if any), fully paid and non-assessable.

4.3. Subsidiaries. Except for the HK Company, the PRC Subsidiary, the US Subsidiary, I-Mab Biopharma (□□□□□□□□□□□□□□□) ("**I-Mab Shanghai**"), Shanghai Tianyunjian Bio-Tech Co., Ltd. (□□□□□□□□□□□□□□□), Chengdu Tasgen Bio-Tech Co., Ltd. (□□□□□□□□□□□□□□□) and I-Mab Biopharma Australia Pty Ltd, the Company does not have any subsidiary or own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association or other entity and does not maintain any offices or branches. None of the Founders or the Founders Holdco presently owns or controls, directly or indirectly, any interest in any corporation, partnership, trust, joint venture, association, or any other entity other than a Group Company except those that have been disclosed to the Investors in writing.

4.4. Authorization. All corporate actions on the part of each Group Company, its officers, board directors and shareholders/stockholders necessary for the authorization, execution and delivery of this Agreement and the Shareholders Agreement, as well as any other agreements to which it is a party and the execution of which is contemplated hereunder and thereunder (the "**Ancillary Agreements**", together with this Agreement, collectively, the "**Transaction Documents**"), and the performance of all obligations of such Group Company hereunder and thereunder, and the authorization, issuance (or reservation for issuance), sale and delivery of the Series C-1 Preferred Shares have been taken or will be taken prior to the Initial Closing. Each Transaction Document, when executed and delivered, constitutes the valid and legally binding obligation of each of the Group Companies, the Founders Holdco and the Founders, enforceable against such Group Company, the Founders Holdco and the Founders to the extent it is a party thereto, in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

4.5. Valid Issuance of Series C-1 Preferred Shares.

(a) The Series C-1 Preferred Shares, when sold, allotted and issued in accordance with the terms of this Agreement, and registered on the register of members of the Company will be duly and validly issued, fully paid and non-assessable. The Ordinary Shares issuable upon conversion of the Series C-1 Preferred Shares have been duly and validly reserved for issuance and, upon issuance in accordance with the terms of the Restated Articles, will be duly and validly issued, fully paid and non-assessable.

(b) Immediately prior to the Initial Closing, the then outstanding share capital of the Company will have been duly and validly issued, fully paid and non-assessable, and such share capital, and all outstanding shares, options and other securities of the Company will have been issued in full compliance with the requirements of all applicable securities laws and regulations including, to the extent applicable, the registration and prospectus delivery requirements of the Securities Act of 1933 of the United States, as amended from time to time (the "**Act**"), or in compliance with applicable exemptions therefrom, and all other provisions of applicable securities laws and regulations.

4.6. Compliance with Laws; Consents and Permits. Except as disclosed in the Disclosure Schedule, none of the Group Companies has conducted any activity in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties. All consents, permits, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings by or with any governmental authority and any third party which are required to be obtained or made by each of the Group Companies, the Founders Holdco and the Founders in connection with the consummation of the transactions contemplated under the Transaction Documents shall have been obtained or made prior to and be effective as of the Initial Closing. Each Group Company has all material approvals, permits, licenses and any similar authority necessary for the conduct of its business as currently conducted, the absence of which would be reasonably likely to have a Material Adverse Effect on its business or properties.

4.7. Compliance with Other Instruments and Agreements. No Group Company is in, nor shall the conduct of its business as currently or proposed to be conducted result in, any violation, breach or default of any term of its constitutional documents which may include, as applicable, memorandum and articles of association, by-laws, joint venture contracts, feasibility studies and the like (the "**Constitutional Documents**"), and none of the Group Companies is in any material respect in breach of any term or provision of any mortgage, indenture, contract, agreement or instrument to which it is a party or by which it may be bound ("**Other Instruments**") or of any provision of any judgment, decree, order, statute, rule or regulation applicable to or binding upon such Group Company. The execution, delivery and performance of and compliance with the Transaction Documents and the consummation of the transactions contemplated thereunder will not result in any such violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, either a default under any Constitutional Documents or any Other Instruments, or a violation of any statutes, laws, regulations or orders, or an event which results in the creation of any lien, charge or encumbrance upon any asset of any Group Company.

4.8. Liabilities. Except as disclosed in the Disclosure Schedule, the Group Companies do not have any indebtedness for borrowed money that it has directly or indirectly created, incurred, assumed, or guaranteed, or with respect to which any Group Company has otherwise become directly or indirectly liable.

4.9. Status of Proprietary Assets.

(a) For purposes of this Agreement, (i) "**Proprietary Assets**" shall mean all patents, patent applications, trademarks, service marks, trade names, domain names, copyrights, copyright registrations and applications and all other rights corresponding thereto, inventions, databases and all rights therein, all computer software including all source code, object code, firmware, development tools, files, records and data, including all media on which any of the foregoing is stored, formulas, designs, trade secrets, confidential and proprietary information, proprietary rights, know-how and processes of a company, and all documentation related to any of the foregoing; and (ii) "**Registered Intellectual Property**" means all Proprietary Assets of the Group Companies, wherever located, that is the subject of an application, certificate, filing, registration or other document issued by, filed with or recorded by any government authority.

(b) Each Group Company (i) has independently developed and owns free and clear of all material claims, security interests, liens or other encumbrances, or (ii) has a valid right or license (including sub-license), which has not been terminated or revoked to use, all Proprietary Assets, including Registered Intellectual Property, necessary and appropriate for its business as now conducted and proposed to be conducted, without any conflict with or infringement of the rights of others. To the best Knowledge of the Warrantors, the Proprietary Assets developed or used in the business of the Group Companies are not subject to any proceeding, government order or settlement agreement that (1) restricts in any manner its use or licensing thereof, or the making, using, sale or offering of sale of any Group Company's products or services, by any Group Company; or (2) may affect the validity or enforceability of such Proprietary Assets.

(c) Except as disclosed in the Disclosure Schedule, the Group Companies have completed the relevant procedures concerning the technology import for the licensed technologies (if required).

(d) Neither the execution nor delivery of the Transaction Documents, the conduct of the business of any Group Company (as currently carried out or as proposed), nor, to the best Knowledge of the Warrantors, the carrying on of the business of any Group Company by its employees, will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which such Group Company or any of such employees is now obligated. The status of cancellation registration in respect of □□□□□□□□□□□□ (Nanjing Sanjing Bio-tech Co., Ltd) ("**Nanjing Sanjing**") with the relevant industry and business administration authorities does not adversely affect, and could not reasonably be expected to adversely affect, the operation of or business (as presently conducted and proposed to be conducted) of any Group Company.

(e) [Reserved].

(f) To the best knowledge of the Warrantors, no Group Company has received any written communications alleging that it has violated or, by conducting its business now conducted or as proposed to be conducted, would violate any Proprietary Assets of any other person or entity.

(g) To the best Knowledge of the Warrantors, none of the current and former officers, employees and consultants of any Group Company (at the time of their employment or engagement by a Group Company) (i) has violated, or is accused or alleged to have violated, any Proprietary Assets of any other person or entity; nor (ii) has been or is obligated under any agreement (including licenses, covenants or commitments of any nature) or other arrangement or undertaking of any kind, or subject to any judgment, decree or order of any court or administrative agency or any rights of third parties, that would interfere with the use of his, her or its best efforts to promote the interests of such Group Company or that would conflict with the Principal Business or that would prevent such officers, employees or consultants from assigning to such Group Company inventions conceived or reduced to practice in connection with services rendered to such Group Company. To the best Knowledge of the Warrantors, it will not be necessary to utilize any inventions of any of the Group Companies' employees (or people the Group Companies currently intend to hire) made prior to or outside the scope of their employment by the relevant Group Company. Exhibit C lists all "**Key Employees**" of the Company.

(h) Except as disclosed in the Disclosure Schedule, no government funding, facilities of any educational institution or research center, or funding from third parties (except the equity financing of the Company and the debt financing duly approved by the shareholders of the Company, if applicable) has been used in the development of any Proprietary Assets of any Group Company.

(i) No disputes on the confidentiality, non-competition or Proprietary Assets between the Founder and his prior employers has occurred or is occurring.

(j) No Group Company has any outstanding liabilities or claims for payments due and payable owing to any third party licensor or sub-licensor under the arrangements of the Group Companies with respect to licensing of Proprietary Assets.

4.10. Litigation. There is no action, suit, proceeding or investigation pending or, to the best Knowledge of the Warrantors, currently threatened against any Group Company, the Founders Holdco or the Founder that questions the validity of the Transaction Documents, the right of such Group Company, the Founders Holdco or the Founder to enter into the Transaction Documents, or to consummate the transactions contemplated thereunder, or that might result, either individually or in the aggregate, in any material adverse change in the assets, conditions, affairs or prospects of the Group Companies, financially or otherwise, nor is any Group Company, the Founders Holdco or the Founder aware that there is any basis for the foregoing. None of the Group Companies is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by any Group Company currently pending or that any Group Company intends to initiate.

4.11. Financial Statements. The draft consolidated financial accounts of the Group Companies ended as of December 31, 2018 (together with any notes thereto are hereinafter referred to as the "**Financial Statements**" and December 31, 2018, the "**Financial Statements Date**") attached hereto as Exhibit E are (a) in accordance with the books and records of the applicable Group Company, (b) true, correct and complete and present fairly the financial condition of such Group Company at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (c) have been prepared in accordance with the Generally Accepted Accounting Principles of the United States of America (the "**U.S. GAAP**") applied on a consistent basis, except as to the unaudited consolidated financial statements, for the omission of notes thereto and normal year-end audit adjustments. Specifically, but not by way of limitation, the respective balance sheets of the Financial Statements disclose all of the Group Companies' respective debts, liabilities and obligations of any nature, whether due or to become due, as of their respective dates (including, without limitation, absolute liabilities, accrued liabilities, and contingent liabilities) to the extent such debts, liabilities and obligations are required to be disclosed in accordance with the U.S. GAAP. The Group Companies have good and marketable title to all assets set forth on the balance sheets of the respective Financial Statements, except for such assets as have been depleted, sold or transferred in the ordinary course of business since their respective dates. None of the Group Companies is a guarantor or indemnitor of any indebtedness of any other person or entity. Each Group Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with generally accepted accounting principles as required in the jurisdiction where it is incorporated.

4.12. Activities since the Financial Statements Date. Since the Financial Statements Date, with respect to each Group Company, there has not been:

(a) any change in the assets, liabilities, financial condition or operating results of the Group Company from that reflected in the Financial Statements, except changes in the ordinary course of business that have not been, in the aggregate, materially adverse;

(b) any material change in the contingent obligations of the Group Company by way of guarantee, endorsement, indemnity, warranty or otherwise;

(c) any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the assets, properties, financial condition, operating results, prospects or business of the Group Company (as presently conducted);

(d) any waiver by the Group Company of a valuable right or of a material debt;

(e) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Group Company, except such satisfaction, discharge or payment made in the ordinary course of business that would not have a Material Adverse Effect;

(f) any material change or amendment to a material contract or arrangement by which the Group Company or any of its assets or properties is bound or subject, except for changes or amendments which are expressly provided for or disclosed in this Agreement;

(g) any material change in any compensation arrangement or agreement with any present or prospective employee, contractor or board director of the Group Company;

(h) any sale, assignment or transfer of any Proprietary Assets of the Group Company or other material intangible assets of the Group Company;

(i) any resignation or termination of any Senior Management of the Group Company or any board director of the Group Company (save as disclosed in the Disclosure Schedule);

(j) any mortgage, pledge, transfer of a security interest in, or lien created by the Group Company, with respect to any of the Group Company's properties or assets, except liens for taxes not yet due or payable;

(k) any debt, obligation, or liability incurred, assumed or guaranteed by the Group Company in excess of RMB15,000,000 in the aggregate;

(l) any declaration, setting aside or payment or other distribution in respect of any of the Group Company's share capital, or any direct or indirect redemption, purchase or other acquisition of any of such share capital by the Group Company;

(m) any failure to conduct business in the ordinary course, consistent with the Group Company's past practices;

(n) any transactions of any kind with any of its Senior Management, board directors, or any members of their respective immediate families, or any entity controlled by any of such individuals;

(o) any other event or condition of any character which could reasonably be expected to have a Material Adverse Effect; or

(p) any agreement or commitment by the Group Company to do any of the things described in this Section 4.12.

4.13. Disclosure. The Warrantors have fully provided the Investors with all the information, to the Warrantors' Knowledge, that the Investors have reasonably requested for deciding whether such Investors shall purchase the Series C-1 Preferred Shares and all the information that the Warrantors believe is reasonably necessary to enable the Investors to make such decision. No representation or warranty by any Warrantor in this Agreement and no information or materials provided by the Warrantors to the Investors in connection with their due diligence investigation of the Warrantors or the negotiation and execution of the Transaction Documents contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading.

4.14. Tax Matters. Each Group Company has duly filed all tax returns required to have been filed by it and paid all taxes shown to be due on such returns. None of the Group Companies is subject to any waivers of applicable statutes of limitations with respect to taxes for any year.

4.15. Interested Party Transactions. No Founder, Founders Holdco or Senior Management of any Group Company or board director of any Group Company or any "**Affiliate**" of the Founder or such Group Company has any agreement, understanding, proposed transaction with, or is indebted to, the Group Companies, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of them (other than for accrued salaries, reimbursable expenses or other standard employee benefits). No Founder or Founders Holdco has any direct or indirect ownership interest in any firm or corporation with which the Group Companies are affiliated or with which the Group Companies have a business relationship, or any firm or corporation that competes with the Group Companies, except that the Founders may own, directly or indirectly, no more than 5% of the shares in publicly traded companies that may compete with the Group Companies which have been disclosed to the Investors in Disclosure Schedule. No Founder, Founders Holdco or Senior Management of any Group Company or board director of any Group Company or any Affiliate of the Founder or such Group Company has had, either directly or indirectly, a material interest in: (a) any person or entity which purchases from or sells, licenses or furnishes to the Group Companies any goods, property, intellectual or other property rights or services; or (b) any contract or agreement to which a Group Company is a party or by which it may be bound or affected.

4.16. Obligations of Management.

(a) Each Founder is currently devoting one hundred percent (100%) of his/her working time to the conduct of the business of the Group Companies. None of the Founders and Key Employees is planning to work less than full time at the Group Companies in the future.

(b) None of the Founders or, to the best Knowledge of the Warrantors, the employees of any Group Company is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement (including any confidentiality, non-competition or non-solicitation agreement or the similar agreement in nature entered into with the former employer of such employee), or subject to any judgment, decree or order of any court or administrative agency, that would interfere with such employee's ability to promote the interest of the Group Companies or that would conflict with the Group Companies' business. Neither the execution or delivery of the Transaction Documents, nor the carrying on of the Group Companies' business by the employees of the Group Companies, nor the conduct of the business as now conducted and as presently proposed to be conducted, will, to the Warrantors' best Knowledge, conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which the Founder or employee is now obligated. None of the Founders or, to the best Knowledge of the Warrantors, the employees of any Group Company, Affiliates of the Founder or Affiliates of employee of any Group Company own, manage, engage in, operate, control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial or otherwise) or participate in the ownership, management, operation or control of, any business (other than through the Group Companies), whether in corporate, proprietorship or partnership form or otherwise, that is related to the Principal Business or otherwise competes with any of the Group Companies.

4.17. Employee Matters.

(a) Each Group Company has complied in all material aspects with all applicable employment and labor laws including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions or the like.

(b) As of the Initial Closing,

(i) each of the Senior Management of each Group Company has entered into an employment agreement, a non-compete and non-solicitation agreement, a confidentiality agreement and an invention assignment agreement with the applicable Group Company;

(ii) each of the employees and consultants who primarily engage in the discovery, research and development, biologics, chemistry, manufacturing and controls (CMC) and process development activities or the business development of each Group Company (other than those referred in (i) above) has entered into an employment or engagement agreement (as the case may be), a confidentiality agreement and an invention assignment agreement with the applicable Group Company; and

(iii) each of the employees and consultants of each Group Company (other than those referred in (i) or (ii) above) has entered into an agreement or agreements with regard to employment or engagement (as the case may be) and confidentiality with the applicable Group Company.

4.18. Title to Properties and Assets. Each Group Company has good title to all respective properties and assets reflected on the Financial Statements, in each case such property and assets are subject to no lien. Except as disclosed in the Disclosure Schedule, with respect to the property and assets it leases, each Group Company is in compliance with such leases and holds valid leasehold interests in such assets free of any liens.

4.19. No Other Business. The Company was formed solely to acquire and hold an equity interest in its subsidiaries and since its formation has not engaged in any business and has not incurred any liability except in the ordinary course of its business of acquiring and holding its equity interest in its subsidiaries. None of the other Group Companies engages in any business other than the Principal Business.

4.20. FCPA. Each Group Company and their respective board directors, officers, employees, agents and other persons acting on their behalf (collectively, "**Representatives**") are and have been in compliance with the Foreign Corrupt Practices Act of the United States of America ("**FCPA**"), as amended, or any other applicable anti-bribery or anti-corruption law in the jurisdiction other than the United States of America (collectively, the "**Compliance Laws**"). None of the Group Companies or their Representatives have promised, authorized or made any payment to, or otherwise contributed any item of value to, directly or indirectly, any non-U.S. Public Official, in each case, which are to the best Knowledge of the Company in violation of the Compliance Laws. For the purpose of this Section 4.20, "**Public Official**" means (a) any employee or official of any governmental authority, including any employee or official of any entity owned or controlled by a governmental authority, (b) any employee or official of a political party, (c) any candidate for political office or his employee, (d) any employee or official of an international organization, or (e) any person who acts in an official capacity for or on behalf of any of the foregoing.

4.21. ESOP. Prior to or at the Initial Closing, the Company has duly adopted, an amended and restated 2018 equity incentive plan ("**2018 ESOP Plan**"), whereby (i) at least 13,550,805 Ordinary Shares shall remain to be reserved for issuance pursuant to the 2018 ESOP Plan; and (ii) if the Company successfully list on an internationally recognized securities exchange for a Qualified Public Offering by December 31, 2019, an additional 1,446,875 Ordinary Shares shall be reserved for issuance under its 2018 ESOP Plan.

4.22. Development of Core Products. The Development of Core Products (as defined in Section 5.2) by the Group Companies has not been terminated or suspended. To the Warrantor's best Knowledge, no event has occurred and no circumstance exists that (i) has adversely affected, or could reasonably be expected to adversely affect, the Development of the Core Products or the obtaining of any requisite regulatory approvals for the Core Products, or (ii) will or may result in the termination or suspension of the Development of the Core Products. None of the Group Companies nor Warrantors has received any notice from any relevant governmental authority advising it that any requisite regulatory approval for the Core Products will not be or may not be granted.

4.23. Leading Underwriter. Unless otherwise agreed by the Leading Investor, Morgan Stanley shall act as the managing underwriter for the Company's Qualified Public Offering. To the Warrantor's best Knowledge, no event has occurred and no circumstance exists that has caused, or could reasonably be expected to cause, Morgan Stanley to cease to act as such managing underwriter.

SECTION 5 COVENANTS

5.1. Use of Proceeds. The proceeds received from the sale and issuance of the Series C-1 Preferred Shares hereunder shall be used by the Company for the new and existing clinical programs, establishment of manufacturing facility and general working capital needs of the Group Companies and other purposes in accordance with the budget plans of the Company as approved by the board of directors of the Company. Without the prior written consent of the Leading Investor, no proceeds received by the Company shall be used in the payment of any debts—other than debts deriving from the operation of any Group Company, the Founders Holdco, the Founders, or any of their Affiliates, in each case in the ordinary course and for the purpose of the Principal Business of the Group Companies—or to repurchase, redeem or cancel any securities, or to make any payment to any shareholders, board directors or officers of any Group Company or any of their Affiliates other than the payment to the employees of the Group Companies under their employment agreements in the ordinary course of business.

5.2. Business of the Group Companies. The Group Companies shall, and the Founders shall cause the Group Companies to, restrict their business to the Principal Business. During the term of this Agreement, unless otherwise approved by holders of two-thirds (2/3) of the issued and outstanding Preferred Shares (voting together as a single class and calculated on an as-converted basis) and holders of at least four-fifths (4/5) of the issued and outstanding Series C Preferred Shares and Series C-1 Preferred Shares (voting together as a single class and calculated on an as-converted basis), the Company shall endeavor to develop the Core Products, including, without limitation, (i) development of the applicable active drug substance(s), (ii) toxicology, pre-clinical and clinical drug development activities, (iii) clinical trials, (iv) assay/test method development, validation and stability testing, (v) formulation development, (vi) manufacture of pre-clinical, clinical and commercial supplies, and manufacturing process development, scale-up and validation, (vii) quality assurance/quality control, statistical analysis, and regulatory affairs (including without limitation the preparation, submission and maintenance of all INDs and NDAs for the Products), and (viii) to have any of the activities described in (i)-(vii) performed ("**Development**"). "**Core Products**" shall mean the products as listed in Exhibit D.

For the purposes of this Agreement, "**IND**" means an Investigational New Drug application, Clinical Study Application, Clinical Trial Exemption, or similar application or submission for approval to conduct human clinical investigations filed with or submitted to a regulatory authority in conformance with the requirements of such regulatory authority; "**NDA**" means a New Drug Application or Supplemental New Drug Application filed with the FDA (including amendments and supplements thereto) to obtain regulatory approval in the U.S., or any corresponding applications or submissions filed with the relevant regulatory authorities to obtain regulatory approvals in the European Union, the People's Republic of China, Japan or any other country or region. If at any time the Group Companies terminate Development of any Core Product, the Company shall immediately notify Investors in writing.

5.3. Compliance. The Group Companies shall, and each Warrantor shall cause the Group Companies to, conduct their respective business in compliance in all material respects with all applicable laws, including but not limited to all applicable laws regulating the Principal Business issued or to be issued from time to time and all applicable employment and labor laws, and the Constitutional Documents, duly and timely file (giving effect to any permitted extensions) all tax returns or reports required to be filed with taxing authorities and pay all taxes, assessments and governmental charges levied or assessed upon them or any of their properties (unless contesting the same in good faith and adequate provision has been made therefore), GCP, GLP and cGMP, as well as all applicable data protection and privacy laws, rules and regulations, including the United States Department of Health and Human Services privacy rules under the Health Insurance Portability and Accountability Act ("**HIPAA**") and the Health Information Technology for Economic and Clinical Health Act and the EU Data Protection Directive. The Group Companies shall, and each Warrantor shall cause the Group Companies to obtain, make and maintain in effect, all consents from the relevant governmental authority or other entity required in respect of the due and proper establishment and operations of each Group Company, especially the carrying out of the Principal Business, in accordance with applicable laws.

For the purpose of this Agreement, (a) "**GCP**" means, as applicable, (i) the then-current standards, practices and procedures promulgated or endorsed by the FDA for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of clinical trials, including the requirements set forth in 21 C.F.R. Parts 11, 50, 54, 56, 312, and 314 and including any related regulatory requirements imposed by the FDA, and (ii) any comparable regulatory standards, practices and procedures in jurisdictions outside of the U.S., in each case as they may be updated from time to time, that provide assurance that the data and reported results are credible and accurate, and that the rights, integrity, and confidentiality of trial subjects are protected; (b) "**GLP**" means, as applicable, (i) the then-current good laboratory practice standards promulgated or endorsed by the FDA as defined in 21 C.F.R. Part 58, and (ii) any comparable regulatory standards in jurisdictions outside the U.S., in each case as they may be updated from time to time; (c) "**cGMP**" means, as applicable, (i) the then-current good manufacturing practices required by the FDA, as defined in 21 C.F.R. Parts 210 and 211 and the regulations promulgated thereunder, for the manufacture and testing of pharmaceutical materials, and (ii) any comparable laws or regulations applicable to the manufacture (including testing) of pharmaceutical materials in jurisdictions outside the U.S., in each case as they may be updated from time to time.

5.4. Qualifications of Suppliers. The Company shall and shall cause the Group Companies to, implement the Company's supplier management system and enter into transactions with suppliers that have the requisite qualifications and licenses, if applicable.

5.5. Clinical Operations. The Company shall, and shall cause the Group Companies to, implement policies and standard operating procedures for the management, collection, use, transfer and disposal of research data, clinical data and other data protection requirements. The Company shall, and shall cause the Group Companies to implement internal policies to ensure that for any Protected Health Information ("**PHI**"), as defined by HIPAA (or similar law outside the United States, as applicable), the Group Companies shall obtain or cause to be obtained (prior to accessing PHI or providing such PHI access) from each such subject an authorization in compliance with HIPAA (or similar law outside the United States, as applicable) sufficient for access, license and use of such information, or, to the extent applicable, waiver of authorization from an institutional review board or privacy board.

5.6. Composition of the Board of each Group Company. At the request of the Leading Investor, the board of directors of each Group Company shall be so constituted such that it shall have the same number of board directors and observer(s) as the Company.

5.7. Employment Agreement, Confidentiality and Invention Assignment Agreement and Non-Compete and Non-Solicitation Agreement. The Warrantors shall cause each of the Key Employees and future key employees of each Group Company to enter into an employment agreement, a confidentiality and invention assignment agreement, and a non-compete and non-solicitation agreement in form and substance satisfactory to the Leading Investor with any of the Group Companies.

5.8. Obligations of Management; Non-Competition. (a) Each Founder covenants that he/she will devote his/her full time and attention to the business of the Group Companies and will use his/her best efforts to develop the business and interests of the Group Companies.
(b) Notwithstanding the other provisions, each Founder covenants that he/she shall bear the liability for the violation of any employment agreement, confidentiality and invention agreement and non-compete and non-solicitation agreement or other similar agreements in substance entered into with his/her former employer and any other person or entity at his/her own expense. Each Founder covenants that he/she shall indemnify the Group Companies for any losses arising from the breach of the aforesaid agreements in this Section 5.8(b). (c) Without the prior written consents of the Leading Investor, each of the Founders and Key Employees is currently not, will not, and will cause his/her Affiliate not to, directly or indirectly, own, manage, engage in, operate, control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial or otherwise) or participate in the ownership, management, operation or control of, any business, whether in corporate, proprietorship or partnership form or otherwise, that is related to the Principal Business or otherwise competes with any of the Group Companies, other than holding no more than 5% public trading shares of listed companies. Notwithstanding the foregoing (a), (b), and (c), where the Leading Investor gives written consents stating that the Founder may undertake a course of action contrary to (a), (b), or (c), such course of action shall be allowed.

5.9. Anti-corruption. The Company covenants that it shall not, and shall not permit any of its subsidiaries or Affiliates or any of its or their respective board directors, officers, managers, employees, independent contractors, representatives or agents to, promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, any non-U.S. Public Official, in each case, which are to the best Knowledge of the Company in violation of the Foreign Corrupt Practices Act of the United States of America ("**FCPA**"), as amended, or any other applicable anti-bribery or anti-corruption law in the jurisdiction other than the United States of America. The Company further represents that it shall, and shall cause each of its subsidiaries and Affiliates to, cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or Affiliates, or any of their respective board directors, officers, managers, employees, independent contractors, representatives or agents, which are to the best Knowledge of the Company, in violation of the FCPA or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall, and shall cause each of its subsidiaries and Affiliates to, maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems), which are, to the best Knowledge of the Company, necessary to ensure compliance with the FCPA or any other applicable anti-bribery or anti-corruption law.

5.10. Tax Indemnity. The Company and Investors shall (i) bear the cost of respective stamp duty, transfer and/or capital gains taxes and other taxes and duties, if applicable, that are legally required to be paid as a result of the transactions contemplated by this Agreement, and (ii) shall comply with all tax reporting and payment obligations in connection with the sale of Series C-1 Preferred Shares as required by all applicable Laws.

5.11. Use of Investors' Name or Logo. Without the prior written consent of the Investors, and whether or not such Investors are then the shareholders of the Company, the Company shall procure that none of the Group Companies and their shareholders (excluding the Investors), nor the Founders, shall use, publish or reproduce the names of the Investors or any similar names, trademarks or logos in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes, except for the fact of the equity investments and shareholding in the Group Companies by the Investors (and in any such case shall not disclose the aggregate or individual investment amounts, pricing or ownership percentage, or any of the term of this Agreement or any of the Transaction Agreements) or otherwise required by the applicable laws and regulations. In the event that any Group Company or its shareholder(s) (excluding the Investors) or the Founder is requested or becomes legally compelled (including without limitation, pursuant to securities laws and regulations) to use, publish or reproduce the names of any Investor or such similar names, trademarks or logos in contravention of the provisions of this Section 5.11, such party (the "**Logo Disclosing Party**") shall provide the Investors with prompt written notice of that fact and use all reasonable efforts to seek (with the cooperation and reasonable efforts of the Investors) a protective order, confidential treatment or other appropriate remedy. In such event, the Logo Disclosing Party shall use, publish or reproduce only that portion of the information which is legally required and shall exercise reasonable efforts to refrain from using, publishing or reproducing such information to the extent reasonably requested by any Investor.

5.12. Intellectual Property Protection. The Company shall, and shall cause the Group Companies to, establish and maintain appropriate intellectual property inspection systems to protect the intellectual property of the Group Companies. The Group Companies shall, and the Warrantor shall cause the Group Companies to, make best efforts to fully comply with the laws and regulations in respect of the protection of the intellectual property and refrain from interfering with the intellectual property rights of others.

5.13. No Third Party Rights. Unless otherwise approved by holders of at least two-thirds (2/3) of the issued and outstanding Preferred Shares (voting together as a single class and calculated on an as-converted basis) and holders of at least four-fifths (4/5) of the issued and outstanding Series C Preferred Shares and Series C-1 Preferred Shares (voting together as a single class and calculated on an as-converted basis) (i) the Company shall retain all rights in and control all regulatory matters related to the Development of Core Products, including, without limitation, taking full responsibility for preparing and filing the relevant applications with the regulatory authorities for pre-clinical and clinical studies and for regulatory approval; and (ii) the Company shall retain all rights in and control all aspects of commercialization of Products and the manufacturing and supply of Core Products.

5.14. Regulatory Affairs. Following the Initial Closing, at the request of any Investor, the Company shall, and shall cause the Group Companies to, endeavor to make available to such requesting Investor the summary of such information relating to the submissions, responses and any other correspondence in connection with IND and NDA applications, including without limitation, any application the regulatory approval pertaining to the Core Products is rejected by any regulatory authority, or the regulatory approval of the Core Products is revoked or it is finally determined by the regulatory authority that any Core Product presents a threat to public health, safety or welfare.

5.15. Additional Covenants of Warrantors. Except as contemplated by this Agreement, no resolution of the board directors, owners, members, partners or shareholders of any Group Company shall be passed, nor shall any contract or commitment, in each case including without limitation, those relating to any type of equity or debt financing of the Group Company, be entered into, in each case, at any time after the date hereof and prior to the Initial Closing without the prior written consent of the Leading Investor. If at any time after the date hereof and before the Initial Closing, any Warrantor comes to know of any material fact or event which (i) is in any way materially inconsistent with any of the representations and warranties given by any Warrantor, and/or (ii) suggests that any material fact warranted may not be as warranted or may be materially misleading, and/or (iii) might affect the willingness of the Investors to purchase the Series C-1 Preferred Shares, such Warrantor shall give immediate written notice thereof to the Investors in which event any Investor may terminate this Agreement (with respect to such Investor only) by written notice without any penalty or future obligations whatsoever; *provided*, *however*, nothing herein shall relieve any party from liability for any breach of this Agreement.

5.16. Trainings and Internal Control Compliance. The Company shall, and shall cause the Group Companies to, as soon as practical after the Initial Closing, formulate and maintain a policy governing the internal control systems of the Group Companies and to conduct intellectual property training and internal control compliance training for their employees.

5.17. Standard Operating Agreements with the CRO and CMO Suppliers. The Company shall, as soon as practical after the Initial Closing, develop standard operating agreements and/or clinical trial agreements to be entered into by the relevant Group Company with their contract research, contract manufacturing and other research and development suppliers, and the relevant Group Company shall use their best efforts to include in such agreements that (a) no such supplier shall have any unilateral unconditional right or any unilateral right upon notice to terminate the clinical trial agreements between such suppliers and the Group Companies; and (b) the terms and conditions as necessary (including terms setting out the requirements under GCP, if applicable) in the interest of the Group Companies.

5.18. Audited Financial Statements. The Company shall, as soon as practical after the Initial Closing but not later than December 31, 2019, provide the Investors with the audited consolidated financial statements of the Company and its subsidiaries ended as of December 31, 2018 (the "**Audited Accounts**"). The Audited Accounts shall be materially consistent with, and shall not contain any material changes or differences (in terms of the financial condition of the Group and the results of the operations of the Group) from the Financial Statements.

5.19. [Filing. After Initial Closing, each of the Warrantors shall procure that the cancellation registration in respect of Nanjing Sanjing with the relevant industry and business administration authorities be duly completed.]

SECTION 6

CONDITIONS TO INVESTOR'S OBLIGATIONS AT CLOSINGS

The obligation of each Investor (except Tigermed) to purchase the Series C-1 Preferred Shares in relation to the transaction contemplated hereby at the Initial Closing is subject to the fulfillment, or waiver by the Investor, of the following conditions:

6.1. Representations and Warranties True and Correct. The representations and warranties of the Warrantors contained in Section 4 hereof shall be true and correct and complete when made on and as of the date hereof and as of the Initial Closing Date with the same force and effect as if they had been made on and as of the Initial Closing Date, subject to changes contemplated by this Agreement, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and correct as of such particular date.

6.2. Performance of Obligations. Each Warrantor shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Initial Closing, and shall have obtained all approvals (including but not limited to the board resolution and shareholder resolution, if applicable, to approve the Transaction Documents and the transaction thereunder, as well as authorize Shares for Series C-1 Additional Issuance), consents, waivers and qualifications necessary to complete the transactions contemplated hereby.

6.3. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions to be passed, executed and/or delivered by the relevant Group Companies shall be satisfactory in substance and form to the Leading Investor, and all the Investors shall have received (i) a copy of the resolutions of each of the relevant Group Companies' board of directors and shareholders, authorizing the execution and delivery of, and the performance of, and compliance with the Transaction Documents to which such Group Company is a party, and the transactions contemplated thereunder and (ii) all such counterpart originals or certified or other copies of such documents as any Investor may reasonably request.

6.4. Approvals, Consents and Waivers. Each Group Company and the Investors shall have obtained any and all approvals, consents and waivers necessary for consummation of the transactions contemplated by this Agreement, including, but not limited to, (i) all permits, authorizations, approvals, consents or permits of any governmental authority or regulatory body, and (ii) the waiver by the existing shareholders of the Company of any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Series C-1 Preferred Shares at the Initial Closing in form and substance satisfactory to the Leading Investor. The Company shall have provided to the Investors copies of all such approvals, consents and waivers (except for such approvals, consents and waivers obtained by the Investors).

6.5. Compliance Certificate. At the Initial Closing, the Warrantors shall deliver to each Investor the compliance certificate, executed and delivered by each of the Warrantors and dated as of the Initial Closing Date, certifying that the conditions specified in Section 6 have been fulfilled and stating that there shall have been no Material Adverse Effect to the business, affairs, prospects, operations, properties, assets or condition of each Group Company, if applicable, since the Financial Statement Date.

6.6. Board Observer. The observer of (i) the Board or (ii) (if requested by the Leading Investor) any other Group Company nominated by the Leading Investor (the "**Observer**") shall have been appointed to the Board and such other Group Companies (if applicable), effective as of the Initial Closing. The Company shall have delivered to the Leading Investor a copy of such board resolution appointing the Observer.

6.7. Shareholders Agreement. The Company shall have delivered to each Investor a copy of the Shareholders Agreement in the form attached hereto as Exhibit B, duly executed by the Company and all other parties thereto (except for the Investors).

6.8. Approval of Investment. The investment committee of the Investors (if any) shall have approved the purchase of the Series C-1 Preferred Shares contemplated hereunder.

6.9. Restated Articles. The Company's memorandum and articles of association shall have been amended and restated by all necessary action of the Board and shareholders to read as set forth in the Restated Articles attached hereto as Exhibit A. The Restated Articles shall be duly submitted for filing with the Registrar of Companies of the Cayman Islands prior to or at the Initial Closing as evidenced by an email confirmation from the registered office provider of the Company.

6.10. No Material Adverse Effect. There shall not have occurred prior to the Initial Closing any event or transaction reasonably likely to have a Material Adverse Effect or above taken as a whole, or on the ability of the Warrantors to consummate the transactions contemplated in this Agreement.

6.11. Confirmation from Warrant Holders. Written confirmations issued by the Warrant Holders, have been delivered to the Investors, stating that: (i) the Warrant Holders may exercise Tranche II of Series B Warrant on a pro rata basis if and only if the Company fails to submit a draft registration statement to an internationally recognized securities exchange for a Qualified Public Offering by July 31, 2019; (ii) otherwise, the Warrant Holders shall unconditionally and irrevocably waive and cancel Tranche II of Series B Warrant; and (iii) the Tranche II of Series B Warrant may only be concurrently exercised by all the Warrant Holders in one lump.

6.12. Managing Underwriter's Internal Approval. The relevant investment committee of Morgan Stanley has approved such underwriter's participation in the Company's submission of a draft registration statement to an internationally recognized securities exchange or a securities regulatory governmental authority for a Qualified Public Offering.

SECTION 6A

CONDITION TO TIGERMED'S OBLIGATIONS AT TIGERMED CLOSING

The obligation of Tigermed to purchase the Series C-1 Preferred Shares in relation to the transaction contemplated hereby at the Tigermed Closing is subject to the fulfillment, or waiver by Tigermed, of the condition that the Initial Closing shall have occurred.

SECTION 7

CONDITIONS TO COMPANY'S OBLIGATIONS AT CLOSINGS

The obligations of the Company under this Agreement are subject to the fulfillment, or waiver by the Company, at or before the applicable Closing of the following conditions:

7.1. Representations and Warranties True and Correct. The representations and warranties made by the Investors in Section 3 hereof shall be true and correct and complete on and as of the date hereof and the applicable Closing with the same force and effect as if they had been made on and as of such date, subject to changes contemplated by this Agreement.

7.2. Performance of Obligations. The Investors shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by them on or before the applicable Closing.

7.3. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions to be passed by the Investors shall have been obtained prior to the applicable Closing.

7.4. Transaction Documents. Each Investor shall have delivered to the Company a copy of the Transaction Documents to which it is a party, duly executed by the Investor.

SECTION 8

MISCELLANEOUS

8.1. No-Shop. The Warrantors agree that, from the date hereof and until the Initial Closing (the "**Exclusivity Period**"), unless with the prior written consent of the Leading Investor or the Initial Closing would be reasonably foreseen to be prevented from occurring due to reason of the Investors, none of the Warrantors shall, directly or indirectly, take any action to solicit, encourage others to solicit, encourage or accept any offers for the purchase or acquisition of any capital stock of any Group Company, or of all or any substantial part of the assets of any Group Company, any debt financing, or proposals for any merger or consolidation involving any Group Company, nor shall negotiate with or enter into any agreement or understanding with any other person with respect to any such transaction. Subject to the provisions herein, during the Exclusivity Period, the Company shall promptly advise the Leading Investor in writing, and discuss with the Leading Investor the impact on any Group Company, of any merger or acquisition by or involving such Group Company (including its Affiliates), any change of its existing shareholding structure, any transaction not in the ordinary course of business (including but not limited to financing arrangement) or any agreement or proposal regarding the same.

8.2. Indemnification.

Each Warrantor (except any Founder) hereby agrees to jointly and severally indemnify and hold harmless the Investor, and the Investor's Affiliates, board directors, officers, agents and assigns, from and against any and all indemnifiable losses suffered by the Investor, or the Investor's Affiliates, board directors, officers, agents and assigns, directly or indirectly, as a result of, or based upon or arising from any inaccuracy in, or breach or non-performance of any of the representations, warranties, covenants or agreements made by any Warrantor in or pursuant to this Agreement or any of the other Transaction Documents. The rights contained in this Section 8.2 shall not be deemed to preclude or otherwise limit in any way the exercise of any other rights or pursuit of other remedies for the breach of this Agreement or with respect to any misrepresentation. This Section 8.2 shall survive any termination of this Agreement.

For the avoidance of doubt, each party hereto hereby agrees and covenants that (a) it will not challenge or raise a defense to any claim against such party or the exercise of any right or remedy against such party (whether under this Section 8.2 or any other provision of this Agreement or any other Transaction Document) on the grounds that such claim, right or remedy is not enforceable or permitted by applicable laws, and (b) it will do all such things and undertake all such actions, including without limitation any applications to and registrations with the governmental authorities and any other protective measures reasonably requested by other parties hereto, to ensure that the agreement of the parties with respect to liability of such party under the Transaction Documents is given full force and effect.

Notwithstanding the foregoing and anything contained in the Disclosure Schedule or the Transaction Documents, each Warrantor (except any Founder) shall, jointly and severally, indemnify the Investors, the Investors' Affiliates, board directors, officers, agents and assigns against any damages incurred or suffered as a result of or arising out of any Group Company's default or breach of any contract concerning the license of intellectual property, failure to obtain valid and subsisting rights to use the third-party intellectual property necessary for the purpose of carrying out the Principal Business.

8.3. [Reserved.]

8.4. Termination. This Agreement may be terminated at any time prior to Initial Closing by the written mutual agreement by all the Parties hereto. If the Initial Closing does not occur within 60 days after the signing of this Agreement, this Agreement may be terminated by either the Warrantors or any of the Investors (with respect to such Investor only). If prior to the Initial Closing there has been a material misrepresentation or material breach of a covenant or agreement contained in this Agreement on the part of any Investor or the Company, respectively, and such breach, if curable, has not been cured within thirty (30) days of such notice, this Agreement may be terminated by either the Company, on the one hand, or such Investor, on the other hand, with respect to such Investor only, by written notice to the other.

8.5. Survival. The representations, warranties, covenants and agreements made herein shall survive any investigation made by any party hereto and the Closings of the transactions contemplated hereby.

8.6. Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto whose rights or obligations hereunder are affected by such amendments. This Agreement and the rights and obligations therein may not be assigned by the Warrantors without the written consent of the Investors. Notwithstanding the foregoing, each Investor has the right to assign its rights or obligations hereunder, including but not limited to the rights to purchase the Series C-1 Preferred Shares to a *bona fide* third party, provided that such Investor shall give the Company a notice in writing simultaneously with or prior to such assignment.

8.7. Entire Agreement. The Transaction Documents, and the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof; and supersede all other agreements between and among any of the Parties with regard to the subjects hereof and thereof. Upon execution of this Agreement, the certain term sheets entered into prior to the date hereof, among the Company, the Founder, the Founders Holdco, and respectively with each Investor shall automatically terminate.

8.8. Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in Schedule IV hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) Business Days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other party as set forth in Schedule IV; or (d) three (3) Business Days after deposit with an overnight delivery service, postage prepaid, addressed to the parties as set forth in Schedule IV with next- business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider.

Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 8.8 by giving, the other party written notice of the new address in the manner set forth above.

8.9. Amendments and Waivers. Any term of this Agreement may be amended only with the written consent of all parties hereto.

8.10. Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party hereto, upon any breach or default of any other party hereto under this Agreement, shall impair any such right, power or remedy of such former party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring.

8.11. Interpretation; Titles and Subtitles. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and exhibits herein are to sections and exhibits of this Agreement.

8.12. Counterparts. This Agreement may be executed and delivered by facsimile, telecopy, portable document format ("pdf") (or other electronically transmitted) signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.13. Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties' intent in entering into this Agreement.

8.14. Confidentiality and Non-Disclosure.

(a) Disclosure of Terms. The terms and conditions of the Transaction Documents and all exhibits and schedules attached hereto and thereto (collectively, the "**Financing Terms**"), including their existence, shall be considered confidential information and shall not be disclosed by any party hereto to any third party except in accordance with the provisions set forth below; provided that such confidential information shall not include any information that is in the public domain other than caused by the breach of the confidentiality obligations hereunder.

(b) Permitted Disclosures. Notwithstanding the foregoing, any party may disclose any of the Financing Terms to its current or bona fide prospective investor, employees, investment bankers, lenders, partners, accountants, attorneys and Affiliates to the extent reasonably required, in each case only where such persons or entities are under appropriate nondisclosure obligations.

(c) Legally Compelled Disclosure. In the event that any party is requested or becomes legally compelled (including without limitation, pursuant to securities laws and regulations) to disclose the existence of any Transaction Document or any of the exhibits and schedules attached hereto or thereto, or any of the Financing Terms hereof in contravention of the provisions of this Section 8.14, such party (the "**Disclosing Party**") shall provide the other parties (the "**Non-Disclosing Parties**") with prompt written notice of that fact and use all reasonable efforts to seek (with the cooperation and reasonable efforts of the other parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which is legally required to be disclosed and shall exercise reasonable efforts to keep confidential such information to the extent reasonably requested by any Non-Disclosing Party.

(d) Other Information. The provisions of this Section 8.14 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by any of the parties with respect to the transactions contemplated hereby.

8.15. Further Assurances. Each party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement.

8.16. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the Hong Kong S.A.R. of the People's Republic of China ("**Hong Kong**") without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Hong Kong to the rights and duties of the parties hereunder.

8.17. Dispute Resolution. The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all parties within thirty (30) days of the commencement of such negotiations, such dispute shall be referred to and finally settled by arbitration at the Hong Kong International Arbitration Centre in accordance with the UNCITRAL Arbitration Rules (the "**UNCITRAL Rules**") in effect at the time of the arbitration, which rules are deemed to be incorporated by reference in this Section 8.17. The arbitration tribunal shall consist of one (1) arbitrator to be appointed according to the UNCITRAL Rules. The language of the arbitration shall be English.

8.18. Costs. Except as otherwise provided in this Agreement, each Party shall bear its own costs and expenses relating to the transaction contemplated in this Agreement. Subject to closing of subscription of the Series C-1 Preferred Shares by the Leading Investor contemplated by this Agreement, the Company shall promptly reimburse the Leading Investor for its costs and expenses for engaging legal counsels and professional advisors in connection with the transaction contemplated in this Agreement upon the provision of relevant invoices issued by the Leading Investor's legal counsels and professional advisors, *provided that*, the total amount reimbursed by the Company to the Leading Investor shall not exceed an aggregate amount of US$156,300 (the "**Cap Amount**"). For the avoidance of any doubt, the Company shall not be obligated to reimburse an additional amount in excess of the Cap Amount to any Investors. If the transactions contemplated hereunder and under the other Transaction Documents is not consummated pursuant to this Agreement, the Company and each Investor shall bear its own relevant costs and expenses.

8.19. Definition. In this Agreement, unless the context otherwise requires, capitalized words and expressions have the meanings as set forth in the form of the Shareholders Agreement as attached in Exhibit B.

8.20. Independent Investors. Each Investor shall, severally and not jointly enjoy the rights and undertake the obligations provided hereunder and in other Transaction Documents. Any Investor's reluctance to exercise rights or failure to perform obligations does not affect the obligations of any other Investor under this Agreement and shall not constitute an impediment or adverse interference on the other Investors with regard to their respective rights or obligations, and any consequence or liability arisen from such reluctance or failure shall be borne by such Investor and such Investor alone.

8.21. No Partnership. The Investors expressly do not intend hereby to form a partnership, either general or limited, under any jurisdiction's partnership law. The Investors do not intend to be partners one to another, or partners as to any third party, or create any fiduciary relationship among themselves, by virtue of their status as Investors.

8.22. Third Party Rights. Unless expressly provided to the contrary in this Agreement, no person other than the parties to this Agreement will have any right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any of the provisions of this Agreement. Notwithstanding any term of this Agreement, the consent of any person who is not a party to this Agreement is not required to rescind or vary this Agreement at any time.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

COMPANY:

I-MAB

/s/ I-MAB

HK SUBSIDIARY:

I-MAB BIOPHARMA HONGKONG LIMITED

/s/ I-MAB BIOPHARMA HONGKONG LIMITED

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PRC SUBSIDIARY

I-MAB BIO-TECH (TIANJIN) CO., LTD.

(□□□□□□□□□□□□□□□)

(Official chop)

/s/ I-MAB BIO-TECH (TIANJIN) CO., LTD.

US SUBSIDIARY

I-MAB BIOPHARMA US LIMITED

/s/ I-MAB BIOPHARMA US LIMITED

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FOUNDERS:

By: **/s/ ZANG JINGWU ZHANG**
Name: **ZANG JINGWU ZHANG**

By: **/s/ Qian Lili**
Name: **QIAN, Lili**

By: **/s/ WANG, Zhengyi**
Name: **WANG, Zhengyi**

By: **/s/ FANG, Lei**
Name: **FANG, Lei**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FOUNDERS HOLDCO:

Mabcore Limited

/s/ Mabcore Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

Caesar Pro Holdings Limited

/s/ Caesar Pro Holdings Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

Hongkong Tigermed Co., Limited

/s/ Hongkong Tigermed Co., Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

WuXi Biologics HealthCare Venture

/s/ WuXi Biologics HealthCare Venture

SCHEDULE I

SCHEDULE OF FOUNDERS

[***]

SCHEDULE I

SCHEDULE II

[***]

SCHEDULE II

SCHEDULE III

[***]

SCHEDULE III

SCHEDULE IV

NOTICES

[***]

SCHEDULE IV

SCHEDULE V

DISCLOSURE SCHEDULE

[***]

SCHEDULE V

EXHIBIT A

FORM OF RESTATED ARTICLES

[***]

EXHIBIT A

EXHIBIT B

FORM OF FOURTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

[***]

EXHIBIT B

EXHIBIT C

LIST OF KEY EMPLOYEES

[***]

EXHIBIT C

EXHIBIT D

LIST OF CORE PRODUCTS

[***]

EXHIBIT D

EXHIBIT E

DRAFT CONSOLIDATED FINANCIAL ACCOUNTS

[***]

EXHIBIT E

Exhibit 10.6

SERIES C SHARE PURCHASE AGREEMENT

June 28, 2018

SERIES C SHARE PURCHASE AGREEMENT

THIS SERIES C SHARE PURCHASE AGREEMENT (this "**Agreement**") is made as of June 28, 2018 by and among:

1. I-MAB, an exempted company duly with limited liability incorporated and validly existing under the laws of the Cayman Islands (the "**Company**");

2. I-MAB BIOPHARMA HONGKONG LIMITED, a limited liability company duly incorporated and validly existing under the laws of Hong Kong (the "**HK Subsidiary**");

3. I-MAB BIO-TECH (TIANJIN) CO., LTD. (□□□□□□□□□□□□□□□), a wholly foreign owned enterprise duly incorporated and validly existing under the laws of the PRC (the "**PRC Subsidiary**");

4. The persons listed in Schedule I hereto (each individually, a "**Founder**" and collectively, the "**Founders**");

5. MABCORE LIMITED, a limited liability company duly incorporated and validly existing under the laws of the British Virgin Islands (the "**Founders Holdco**"); and

6. The persons listed in Schedule II hereto (each individually, an "**Investor**" and collectively, the "**Investors**").

RECITALS

A. WHEREAS, the Group Companies (as defined below) are engaged in the business of research, development of pharmaceutical products; the commercialization, production and sale of pharmaceutical products; the transfer of technology, technical services and technical consulting reasonably proposed to be conducted by the Group Companies after the Group Companies obtain the relevant licenses with respect to such production or sale (the "**Principal Business**"); and

B. WHEREAS, the Company desires to sell and issue to the Investors and each Investor desires to purchase from the Company certain Series C Preferred Shares (as defined below) pursuant to the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

SECTION 1

SALE AND ISSUANCE OF SHARES

1.1. Sale and Issuance of the Series C Preferred Shares. Subject to the terms and conditions of this Agreement, on or prior to the Closing (as hereinafter defined), the Company shall have authorized the issue pursuant to this Agreement of up to an aggregate of 31,718,409 series C preferred shares of the Company with a US$0.0001 par value for each share (the "**Series C Preferred Shares**"), among which 31,046,360 Series C Preferred Shares will be issued and sold to the Investors at the Closing pursuant to Section 1.2 below and 672,049 Series C Preferred Shares will be conditionally issued and sold to the Investors pending the Series C Additional Issuance of Full Warrant Exercise in accordance with Section 1.3 below.

1.2. Payment of Purchase Price. Subject to the terms and conditions hereof and in consideration of the Purchase Price set forth below, the Company hereby agrees to sell and issue to the Investors at the Closing, and each Investor hereby agrees to purchase from the Company at the Closing, the aggregate number of Series C Preferred Shares set forth in the column captioned "Total No. of Series C Preferred Shares Subscribed" opposite the respective Investor's name on Schedule II Part A, at a price of US$6.4420 per share, amounting to an aggregate purchase price of US$200,000,000 (the "**Purchase Price**").

1.3. Price Adjustment. In the event of the exercise of the Tranche II of Series B Warrant in full by the Warrant Holders, the Company shall adjust the issue price of Series C Preferred Shares (namely US$6.4420 per share) to US $6.3055 per share and issue an additional 672,049 Series C Preferred Shares to the Investors on a pro rata basis in proportion to the Purchase Price paid by each Investor at par value as a compensation (the "**Series C Additional Issuance for Full Warrant Exercise**"). The Series C Additional Issuance for Full Warrant Exercise shall be conducted as soon as possible after the full exercise of the Tranche II of Series B Warrant and in any event no later than ten (10) Business Days after the aforesaid exercise. Upon the closing of the Series C Additional Issuance for Full Warrant Exercise, the aggregate number of Series C Preferred Shares issued to the Investors shall be 31,718,409, with the updated shareholdings of each Investor as reflected in the column captioned "Total No. of Series C Preferred Shares Subscribed" on Schedule II Part B.

1.4. In the event that the Warrant Holders partially exercise the Tranche II of Series B Warrant, the Company shall adjust the issue price of Series C Preferred Shares by means of additional issuance of certain number Series C Preferred Shares to the Investors on a pro rata basis in proportion to the Purchase Price paid by each Investor at par value as a compensation ("**Series C Additional Issuance for Partial Warrant Exercise**", together with **Series C Additional Issuance for Full Warrant Exercise**, "**Series C Additional Issuance**") to such extent that after such issuance, the total number of the Series C Preferred Shares issued to the Investors for the total Purchase Price (i.e., US$200,000,000) shall be adjusted to a number determined as set forth below:

$$\text{Total Series C Preferred Shares After Adjustment} = \frac{\text{Purchase Price} * \text{OBS}}{\text{Base Valuation for Series C Financing} + X}$$

WHERE:

Purchase Price = the aggregate purchase price for Series C Preferred Shares, namely US$200,000,000,

OBS = total number of Shares of the Company immediately prior to the issuance of Series C Preferred Shares (on an fully diluted, as exercised and as converted to Ordinary Shares basis), which, for purposes of the calculation under this Section 1.4, shall consist of (i) all issued and outstanding 8,363,719 Ordinary Shares, (ii) all issued and outstanding 30,227,056 Series A Group Shares, (iii) all issued and outstanding 23,288,783 Series B Preferred Shares; (iv) all authorized 3,714,580 Series B-1 Preferred Shares issued and/or issuable for conversion of Convertible Notes; (iv) all authorized 3,301,849 Series B-2 Preferred Shares issued and/or issuable for full exercise of Tranche I of Series B Warrant; (v) total number of Series B-2 Preferred Shares issued and/or issuable upon partial exercise of Tranche II of Series B Warrant, amounting to X/Series B-2 Issue Price (as defined in the memorandum and articles of association of the Company) per share, and (vi) all shares unissued but reserved under the Company's existing ESOP prior to the adoption of New ESOP Plan, amounting to 13,376,865 Ordinary Shares.

Base Valuation for Series C Financing = US$520,000,000, and

X = the total consideration received for partial exercise of Tranche II of Series B Warrant.

SECTION 2

CLOSING

2.1. The closing of the subscription and issuance of the Series C Preferred Shares hereunder shall take place remotely via the exchange of documents and signatures.

2.2. Subject to the satisfaction or due waiver of all of the closing conditions in connection with the Closing as set forth in Section 6 and Section 7, within ten (10) Business Days following the satisfaction of the conditions or waiver of the same by the Investor, the Company shall deliver to each Investor a share certificate representing the amount of Series C Preferred Shares of the Company as purchased by such Investor pursuant to this Agreement (the "**Closing**"; the date of the Closing, the "**Closing Date**"). The bank account information shall be provided to the Investors no later than five (5) Business Days prior to the Closing Date. Each Investor shall pay its portion of the Purchase Price as set forth opposite its name on Schedule II at the Closing by wire transfer of immediately available funds to an account designated by the Company on the Closing Date.

2.3. For the avoidance of doubt, Closing may be consummated by the Company with one or more Investors, and the Closings with different Investors are not conditional upon each other.

2.4. Schedule III Part A hereof sets forth a complete list of all outstanding shareholders of the Company immediately prior to and after the Closing, indicating the type and number of shares held by each such shareholder.

2.5. Schedule III Part B hereof sets forth a complete list of all outstanding shareholders of the Company immediately prior to the Closing after the Price Adjustment, indicating the class and number of shares held by each such shareholder.

2.6. Deliveries At the Closing, the Company shall, and the Founders shall cause the Company to, deliver to the Investor, in addition to any item the delivery of which is made an express closing condition pursuant to Section 6 hereof, (i) a duly executed share certificate representing the Series C Preferred Shares of the Company being purchased by each Investor at the Closing, (ii) a copy of the updated register of members of the Company reflecting the Investor as the holder of such Series C Preferred Shares, certified by the Company's registered office provider as true and complete as of the Closing Date, and (iii) a copy of the register of directors of the Company reflecting the new director appointed by the Investor to the Company in accordance with the Shareholders Agreement, certified by the Company's registered office provider as true and complete as of the Closing Date.

SECTION 3

REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

Each Investor hereby, severally but not jointly, represents and warrants to the Group Companies, the Founders Holdco, and the Founders as of the date hereof and as of the Closing as follows:

3.1. Authorization. Such Investor has all requisite power, authority and capacity to enter into the Transaction Documents (as defined below) to which it is a party, and to carry out and perform its obligations thereunder. This Agreement has been duly authorized, executed and delivered by the Investor. The Transaction Documents, when executed and delivered by the Investor, constitutes valid and legally binding obligations of the Investor, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

3.2. Purchase for Own Account. Such Investor represents and warrants that it is acquiring the Series C Preferred Shares and solely for investment for the Investor's and/or its Affiliates own account not as a nominee or agent, and not with a view to the instant resale or distribution of any part thereof, and that such Investor has no present intention of selling, granting any participation in, or otherwise distributing the same except for resale or distribution of any part thereof to the Investor's Affiliates.

SECTION 4

REPRESENTATIONS AND WARRANTIES OF THE WARRANTORS

Each of the Company, the Founders Holdco and the Founders (collectively, the "**Warrantors**", and each a "**Warrantor**") jointly and severally represents and warrants to each Investor that the statements contained in this Section 4 are true, complete and correct with respect to each Group Company on and as of the date hereof and the Closing. In this Agreement, any reference to a party's "**Knowledge**" means such party's actual knowledge after due and diligent inquiries of officers and directors of such party reasonably believed to have knowledge of the matter in question, and in this Section 4, any reference to "**Material Adverse Effect**" means the material adverse effect on the condition (financial or otherwise), assets relating to, or results of operation of or business (as presently conducted and proposed to be conducted) of any Group Company. Disclosures contained in the Disclosure Schedule attached hereto as Schedule V, with specific reference to the paragraphs of this Agreement to which such disclosures are related to, shall be deemed to be exceptions to the warranties only if such disclosures are fully, specifically and accurately stated therein. For the purpose of this Agreement, "**Group Companies**" shall mean the Company, the HK Subsidiary, the PRC Subsidiary and any subsidiaries (Controlled either by equity or contract or otherwise) of the foregoing collectively, and each individually, a "**Group Company**".

4.1. Organization, Good Standing and Qualification.

Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, or by virtue of, the laws of the jurisdiction of its incorporation or establishment, and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. Each Group Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

4.2. Capitalization. Immediately prior to the Closing, the authorized share capital of the Company consists of the following:

(a) Ordinary Shares. A total of 402,796,550 authorized Ordinary Shares (as defined in the Restated Articles);

(b) Preferred Shares. A total of 97,203,450 authorized Preferred Shares (as defined in the Restated Articles), the breakdown of which is set out in Schedule III (including the authorized but unissued 31,718,409 Series C Preferred Shares).

(c) Options, Warrants, Reserved Shares. Except for (i) the conversion privileges of the Preferred Shares, (ii) the preemptive rights provided in the Third Amended and Restated Shareholders Agreement by and among the Company, the Founders, the Founders Holdco, BSK, Blue Sky, IBC Investment Seven Limited ("**IBC**"), GENEXINE, INC. ("**GENEXINE**"), and other parties thereto (as amended), as set forth in Exhibit B hereof (the "**Shareholders Agreement**"); (iii) the stock options that have been granted to the employees and the management team, as set forth in Schedule III hereof; (iv) the exercise by Warrant Holder of Tranche II of Series B Warrant in the event that the Company fails to submit a Qualified Public Offering application at an internationally recognized securities exchange by March 31, 2019; (v) an additional issuance of Series C Preferred Shares upon the Price Adjustment in case of the full or partial exercise of the Tranche II of Series B Warrant; and (vi) the conversion option attaching to a convertible note granted to GENEXINE pursuant to the GENEXINE Loan Agreement, there are no options, warrants, conversion privileges, share plan, share purchase or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any equity interest or registered share capital of any Group Company. No shares of any Group Company's issued and outstanding share capital, registered share capital, or shares issuable upon exercise or exchange of any issued and outstanding options or other shares issuable by any Group Company, are subject to any encumbrance, preemptive rights, rights of first refusal or other rights to purchase such shares (whether in favor of such Group Company or any other person). All the options and warrants as stated above have been duly issued without any potential dispute. All presently outstanding equity securities of each Group Company were duly and validly issued in compliance with all applicable Laws, preemptive rights of any person, and applicable contracts (if any), fully paid and non-assessable.

4.3. Subsidiaries. Except for, as of Closing, the HK Company, the PRC Subsidiary, I-Mab Biopharma (□□□□□□□□□□□□□□□), Shanghai Tianyunjian Bio-Tech Co., Ltd. (□□□□□□□□□□□□□□□), Chengdu Tasgen Bio-Tech Co., Ltd. (□□□□□□□□□□□□□□□), I-Mab Biopharma Australia Pty Ltd and l-MAB Biopharma US Limited, the Company does not have any subsidiary or own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association or other entity and does not maintain any offices or branches. None of the Founders or the Founders Holdco presently owns or controls, directly or indirectly, any interest in any corporation, partnership, trust, joint venture, association, or any other entity other than a Group Company except those that have been disclosed to the Investors in writing.

4.4. Authorization. All corporate actions on the part of each Group Company, its officers, directors and shareholders/stockholders necessary for the authorization, execution and delivery of this Agreement and the Shareholders Agreement, as well as any other agreements to which it is a party and the execution of which is contemplated hereunder and thereunder (the "**Ancillary Agreements**", together with this Agreement, collectively, the "**Transaction Documents**"), and the performance of all obligations of such Group Company hereunder and thereunder, and the authorization, issuance (or reservation for issuance), sale and delivery of the Series C Preferred Shares have been taken or will be taken prior to the Closing. Each Transaction Document, when executed and delivered, constitutes the valid and legally binding obligation of each of the Group Companies, the Founders Holdco and the Founders, enforceable against such Group Company, the Founders Holdco and the Founders to the extent it is a party thereto, in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

4.5. Valid Issuance of Series C Preferred Shares.

(a) The Series C Preferred Shares, when issued, sold and allotted in accordance with the terms of this Agreement, and registered on the register of members of the Company will be duly and validly issued, fully paid and non-assessable. The Ordinary Shares issuable upon conversion of the Series C Preferred Shares have been duly and validly reserved for issuance and, upon issuance in accordance with the terms of the Fourth Amended and Restated Memorandum and Articles of Association of the Company (the "**Restated Articles**", the form of which is attached hereto as Exhibit A), will be duly and validly issued, fully paid and non-assessable.

(b) Immediately prior to the Closing, the then outstanding share capital of the Company will have been duly and validly issued, fully paid and non-assessable, and such share capital, and all outstanding shares, options and other securities of the Company will have been issued in full compliance with the requirements of all applicable securities laws and regulations including, to the extent applicable, the registration and prospectus delivery requirements of the Securities Act of 1933 of the United States, as amended from time to time (the "**Act**"), or in compliance with applicable exemptions therefrom, and all other provisions of applicable securities laws and regulations.

4.6. Compliance with Laws; Consents and Permits. None of the Group Companies has conducted any activity in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties. All consents, permits, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings by or with any governmental authority and any third party which are required to be obtained or made by each of the Group Companies, the Founders Holdco and the Founders in connection with the consummation of the transactions contemplated under the Transaction Documents shall have been obtained or made prior to and be effective as of the Closing. Each Group Company has all material approvals, permits, licenses and any similar authority necessary for the conduct of its business as currently conducted, the absence of which would be reasonably likely to have a Material Adverse Effect on its business or properties.

4.7. Compliance with Other Instruments and Agreements. No Group Company is in, nor shall the conduct of its business as currently or proposed to be conducted result in, any violation, breach or default of any term of its constitutional documents which may include, as applicable, memorandum and articles of association, by-laws, joint venture contracts, feasibility studies and the like (the "**Constitutional Documents**"), and, none of the Group Companies is in any material respect in breach of any term or provision of any mortgage, indenture, contract, agreement or instrument to which it is a party or by which it may be bound ("**Other Instruments**") or of any provision of any judgment, decree, order, statute, rule or regulation applicable to or binding upon such Group Company. The execution, delivery and performance of and compliance with the Transaction Documents and the consummation of the transactions contemplated thereunder will not result in any such violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, either a default under any Constitutional Documents or any Other Instruments, or a violation of any statutes, laws, regulations or orders, or an event which results in the creation of any lien, charge or encumbrance upon any asset of any Group Company.

4.8. Liabilities. Except as disclosed in the Disclosure Schedule, the Group Companies do not have any indebtedness for borrowed money that it has directly or indirectly created, incurred, assumed, or guaranteed, or with respect to which any Group Company has otherwise become directly or indirectly liable.

4.9. Status of Proprietary Assets. For purposes of this Agreement, (i) "**Proprietary Assets**" shall mean all patents, patent applications, trademarks, service marks, trade names, domain names, copyrights, copyright registrations and applications and all other rights corresponding thereto, inventions, databases and all rights therein, all computer software including all source code, object code, firmware, development tools, files, records and data, including all media on which any of the foregoing is stored, formulas, designs, trade secrets, confidential and proprietary information, proprietary rights, know-how and processes of a company, and all documentation related to any of the foregoing; and (ii) "**Registered Intellectual Property**" means all Proprietary Assets of the Group Companies, wherever located, that is the subject of an application, certificate, filing, registration or other document issued by, filed with or recorded by any government authority. Except as disclosed in the Disclosure Schedule, each Group Company (i) has independently developed and owns free and clear of all material claims, security interests, liens or other encumbrances, or (ii) has a valid right or license to use all Proprietary Assets, including Registered Intellectual Property, necessary and appropriate for its business as now conducted and without any conflict with or infringement of the rights of others. The Group Companies have completed the relevant procedures concerning the technology import for the licensed technologies (if required). Neither the execution nor delivery of the Transaction Documents, the carrying on of the business of any Group Company by its employees, nor the conduct of the business of any Group Company as proposed, will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which such Group Company or any of such employees is now obligated. Except as disclosed in the Disclosure Schedule, no Group Company is bound by, or a party to, any options, licenses, agreements or rights of any kind with respect to the Proprietary Assets of any other person or entity. To the best knowledge of the Warrantors, no Group Company has received any written communications alleging that it has violated or, by conducting its business as proposed, would violate any Proprietary Assets of any other person or entity. To the best knowledge of the Warrantors after due inquiries with current or former officers, employees or consultants of any Group Company, none of such current or former officers, employees or consultants of any Group Company (at the time of their employment or engagement by a Group Company) has been or is obligated under any agreement (including licenses, covenants or commitments of any nature) or other arrangement or undertaking of any kind, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of his, her or its best efforts to promote the interests of such Group Company or that would conflict with the Principal Business or that would prevent such officers, employees or consultants from assigning to such Group Company inventions conceived or reduced to practice in connection with services rendered to such Group Company. It will not be necessary to utilize any inventions of any of the Group Companies' employees (or people the Group Companies currently intend to hire) made prior to or outside the scope of their employment by the relevant Group Company. No government funding, facilities of any educational institution or research center, or funding from third parties has been used in the development of any Proprietary Assets of any Group Company. There shall have been no dispute. No disputes on the confidentiality, non-competition or Proprietary Assets between the Founder and his prior employers has occurred or is occurring.

4.10. Litigation. To the Warrantors' best knowledge, there is no action, suit, proceeding or investigation pending or currently threatened against any Group Company, the Founders Holdco or the Founder that questions the validity of the Transaction Documents, the right of such Group Company, the Founders Holdco or the Founder to enter into the Transaction Documents, or to consummate the transactions contemplated thereunder, or that might result, either individually or in the aggregate, in any material adverse changes in the assets, condition, affairs or prospects of the Group Companies, financially or otherwise, nor is any Group Company, the Founders Holdco or the Founder aware that there is any basis for the foregoing. None of the Group Companies is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by any Group Company currently pending or that any Group Company intends to initiate.

4.11. Financial Statements. Except as disclosed in the Disclosure Schedule, the management accounts of the Group Companies ended as of December 31, 2017 (the management accounts and any notes thereto are hereinafter referred to as the "**Financial Statements**" and December 31 2017, the "**Financial Statements Date**") are (a) in accordance with the books and records of the applicable Group Company, (b) true, correct and complete and present fairly the financial condition of such Group Company at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (c) have been prepared in accordance with PRC generally accepted accounting principles ("**PRC GAAP**") applied on a consistent basis, except as to the unaudited consolidated financial statements, for the omission of notes thereto and normal year-end audit adjustments. Specifically, but not by way of limitation, the respective balance sheets of the Financial Statements disclose all of the Group Companies' respective debts, liabilities and obligations of any nature, whether due or to become due, as of their respective dates (including, without limitation, absolute liabilities, accrued liabilities, and contingent liabilities) to the extent such debts, liabilities and obligations are required to be disclosed in accordance with PRC GAAP. The Group Companies have good and marketable title to all assets set forth on the balance sheets of the respective Financial Statements, except for such assets as have been depleted, sold or transferred in the ordinary course of business since their respective dates. None of the Group Companies is a guarantor or indemnitor of any indebtedness of any other person or entity. Each Group Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with generally accepted accounting principles as required in the jurisdiction where it is incorporated.

4.12. Activities since the Financial Statements Date. Except as disclosed in the Disclosure Schedule, since the Financial Statements Date, with respect to each Group Company, there has not been:

(a) any change in the assets, liabilities, financial condition or operating results of the Group Company from that reflected in the Financial Statements, except changes in the ordinary course of business that have not been, in the aggregate, materially adverse;

(b) any material change in the contingent obligations of the Group Company by way of guarantee, endorsement, indemnity, warranty or otherwise;

(c) any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the assets, properties, financial condition, operating results, prospects or business of the Group Company (as presently conducted);

(d) any waiver by the Group Company of a valuable right or of a material debt;

(e) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Group Company, except such satisfaction, discharge or payment made in the ordinary course of business that would not have a Material Adverse Effect;

(f) any material change or amendment to a material contract or arrangement by which the Group Company or any of its assets or properties is bound or subject, except for changes or amendments which are expressly provided for or disclosed in this Agreement;

(g) any material change in any compensation arrangement or agreement with any present or prospective employee, contractor or director;

(h) any sale, assignment or transfer of any Proprietary Assets or other material intangible assets of the Group Company;

(i) any resignation or termination of any key officer or employee of the Group Company;

(j) any mortgage, pledge, transfer of a security interest in, or lien created by the Group Company, with respect to any of the Group Company's properties or assets, except liens for taxes not yet due or payable;

(k) any debt, obligation, or liability incurred, assumed or guaranteed by the Group Company in excess of RMB10,000,000 in the aggregate;

(l) any declaration, setting aside or payment or other distribution in respect of any of the Group Company's share capital, or any direct or indirect redemption, purchase or other acquisition of any of such share capital by the Group Company;

(m) any failure to conduct business in the ordinary course, consistent with the Group Company's past practices;

(n) any transactions of any kind with any of its officers, directors or employees, or any members of their immediate families, or any entity controlled by any of such individuals;

(o) any other event or condition of any character which could reasonably be expected to have a Material Adverse Effect; or

(p) any agreement or commitment by the Group Company to do any of the things described in this Section 4.12.

4.13. Disclosure. The Warrantors have fully provided the Investors with all the information, to the Warrantors' knowledge, that the Investors have reasonably requested for deciding whether such Investors shall purchase the Series C Preferred Shares and all the information that the Warrantors believe is reasonably necessary to enable the Investor to make such decision. No representation or warranty by any Warrantor in this Agreement and no information or materials provided by the Warrantors to the Investors in connection with their due diligence investigation of the Warrantors or the negotiation and execution of the Transaction Documents contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading.

4.14. Tax Matters. Each Group Company has duly filed all tax returns required to have been filed by it and paid all taxes shown to be due on such returns. None of the Group Companies is subject to any waivers of applicable statutes of limitations with respect to taxes for any year.

4.15. Interested Party Transactions. No Founder, Founders Holdco or officer or director of any Group Company or any "**Affiliate**" of the Founder or such Group Company has any agreement, understanding, proposed transaction with, or is indebted to, the Group Companies, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of them (other than for accrued salaries, reimbursable expenses or other standard employee benefits). No Founder or Founders Holdco has any direct or indirect ownership interest in any firm or corporation with which the Group Companies are affiliated or with which the Group Companies have a business relationship, or any firm or corporation that competes with the Group Companies, except that the Founders may own, directly or indirectly, no more than 5% of the shares in publicly traded companies that may compete with the Group Companies which have been disclosed to the Investors in Disclosure Schedule. No Founder, Founders Holdco or officer or director of any Group Company or any Affiliate of the Founder or such Group Company has had, either directly or indirectly, a material interest in: (a) any person or entity which purchases from or sells, licenses or furnishes to the Group Companies any goods, property, intellectual or other property rights or services; or (b) any contract or agreement to which a Group Company is a party or by which it may be bound or affected.

4.16. Obligations of Management.

(a) Each Founder is currently devoting one hundred percent (100%) of his/her working time to the conduct of the business of the Group Companies. None of the Founders and Key Employees is planning to work less than full time at the Group Companies in the future.

(b) To the Warrantors' best Knowledge, each Founder or any employee of any Group Company is not obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement (including any confidentiality, non-competition or non-solicitation agreement or the similar agreement in nature entered into with the former employer of such employee), or subject to any judgment, decree or order of any court or administrative agency, that would interfere with such employee's ability to promote the interest of the Group Companies or that would conflict with the Group Companies' business. Neither the execution or delivery of the Transaction Documents, nor the carrying on of the Group Companies' business by the employees of the Group Companies, nor the conduct of the business as now conducted and as presently proposed to be conducted, will, to the Warrantors' best Knowledge, conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which the Founder or employee is now obligated. None of the Founders or Key Employees or their Affiliate own, manage, engage in, operate, control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial or otherwise) or participate in the ownership, management, operation or control of, any business, whether in corporate, proprietorship or partnership form or otherwise, that is related to the Principal Business or otherwise competes with any of the Group Companies, other than holding no more than disclosed in the Disclosure Schedule.

4.17. Employee Matters. Each Group Company has complied in all material aspects with all applicable employment and labor laws including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions or the like. Each Founder, and each Key Employee of each Group Company has entered into an employment agreement, a confidentiality and invention assignment agreement, and a non-compete and non-solicitation agreement in form and substance reasonably satisfactory to the Investors with an applicable Group Company.

4.18. Title to Properties and Assets. Each Group Company has good title to all respective properties and assets reflected on the Financial Statements, in each case such property and assets are subject to no lien. With respect to the property and assets it leases, each Group Company is in compliance with such leases and holds valid leasehold interests in such assets free of any liens.

4.19. No Other Business. The Company was formed solely to acquire and hold an equity interest in its subsidiaries and since its formation has not engaged in any business and has not incurred any liability except in the ordinary course of its business of acquiring and holding its equity interest in its subsidiaries.

4.20. FCPA. Each Group Company and their respective directors, officers, employees, agents and other persons acting on their behalf (collectively, "**Representatives**") are and have been in compliance with the Foreign Corrupt Practices Act of the United States of America ("**FCPA**"), as amended, or any other applicable anti-bribery or anti-corruption law in the jurisdiction other than the United States of America (collectively, the "**Compliance Laws**"). None of the Group Companies or their Representatives have promised, authorized or made any payment to, or otherwise contributed any item of value to, directly or indirectly, any non-U.S. Public Official, in each case, which are to the best Knowledge of the Company in violation of the Compliance Laws. For the purpose of this Section 4.20, "**Public Official**" means (a) any employee or official of any governmental authority, including any employee or official of any entity owned or controlled by a governmental authority, (b) any employee or official of a political party, (c) any candidate for political office or his employee, (d) any employee or official of an international organization, or (e) any person who acts in an official capacity for or on behalf of any of the foregoing.

SECTION 5 COVENANTS

5.1. Use of Proceeds. The proceeds received from the sale and issuance of the Series C Preferred Shares hereunder shall be used by the Company for the business expansion, capital expenditure and general working capital needs of the Group Companies as approved by the Board of Directors of the Company. Without the prior written consent of the Investor, no proceeds received by the Company shall be used in the payment of any debts—other than debts deriving from the operation of any Group Company, the Founders Holdco, the Founders, or any of their Affiliates, in each case in the ordinary course and for the purpose of the Principal Business of the Group Companies—or to repurchase, redeem or cancel any securities, or to make any payment to any shareholders, directors or officers of any Group Company or any of their Affiliates other than the payment to the employees of the Group Companies under their employment agreements in the ordinary course of business.

5.2. Business of the Group Companies. The Group Companies shall, and the Founders shall cause the Group Companies to, restrict their business to the Principal Business. During the term of this Agreement, unless otherwise approved by two-thirds (2/3) of the issued and outstanding Preferred Shares (voting together as a single class and calculated on as-converted basis) and at least three-fourths (3/4) of the issued and outstanding Series C Preferred Shares (voting together as a single class and calculated on as-converted basis), the Company shall endeavor to develop the Core Products, including, without limitation, (i) development of the applicable active drug substance(s), (ii) toxicology, pre-clinical and clinical drug development activities, (iii) clinical trials, (iv) assay/test method development, validation and stability testing, (v) formulation development, (vi) manufacture of pre-clinical, clinical and commercial supplies, and manufacturing process development, scale-up and validation, (vii) quality assurance/quality control, statistical analysis, and regulatory affairs (including without limitation the preparation, submission and maintenance of all INDs and NDAs for the Products), and (viii) to have any of the activities described in (i)-(vii) performed ("**Development**"). "**Core Products**" shall mean the products as listed in Exhibit D.

For the purposes of this Agreement, "**IND**" means an Investigational New Drug application, Clinical Study Application, Clinical Trial Exemption, or similar application or submission for approval to conduct human clinical investigations filed with or submitted to a regulatory authority in conformance with the requirements of such regulatory authority; "**NDA**" means a New Drug Application or Supplemental New Drug Application filed with the FDA (including amendments and supplements thereto) to obtain regulatory approval in the U.S., or any corresponding applications or submissions filed with the relevant regulatory authorities to obtain regulatory approvals in the European Union, the People's Republic of China, Japan or any other country or region. If at any time the Group Companies terminate Development of any Core Product, the Company shall immediately notify Investors in writing.

5.3. Compliance. The Group Companies shall, and each Warrantor shall cause the Group Companies to, conduct their respective business in compliance in all material respects with all applicable laws, including but not limited to all applicable laws regulating the Principal Business issued or to be issued from time to time and all applicable employment and labor laws, duly and timely file (giving effect to any permitted extensions) all tax returns or reports required to be filed with taxing authorities and pay all taxes, assessments and governmental charges levied or assessed upon them or any of their properties (unless contesting the same in good faith and adequate provision has been made therefore), GCP, GLP and cGMP, as well as all applicable data protection and privacy laws, rules and regulations, including the United States Department of Health and Human Services privacy rules under the Health Insurance Portability and Accountability Act ("**HIPAA**") and the Health Information Technology for Economic and Clinical Health Act and the EU Data Protection Directive. The Group Companies shall, and each Warrantor shall cause the Group Companies to obtain, make and maintain in effect, all consents from the relevant governmental authority or other entity required in respect of the due and proper establishment and operations of each Group Company, especially the carrying out of the Principal Business, in accordance with applicable laws.

For the purpose of this Agreement, (a) "**GCP**" means, as applicable, (i) the then-current standards, practices and procedures promulgated or endorsed by the FDA for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of clinical trials, including the requirements set forth in 21 C.F.R. Parts 11, 50, 54, 56, 312, and 314 and including any related regulatory requirements imposed by the FDA, and (ii) any comparable regulatory standards, practices and procedures in jurisdictions outside of the U.S., in each case as they may be updated from time to time, that provide assurance that the data and reported results are credible and accurate, and that the rights, integrity, and confidentiality of trial subjects are protected; (b) "**GLP**" means, as applicable, (i) the then-current good laboratory practice standards promulgated or endorsed by the FDA as defined in 21 C.F.R. Part 58, and (ii) any comparable regulatory standards in jurisdictions outside the U.S., in each case as they may be updated from time to time; (c) "**cGMP**" means, as applicable, (i) the then-current good manufacturing practices required by the FDA, as defined in 21 C.F.R. Parts 210 and 211 and the regulations promulgated thereunder, for the manufacture and testing of pharmaceutical materials, and (ii) any comparable laws or regulations applicable to the manufacture (including testing) of pharmaceutical materials in jurisdictions outside the U.S., in each case as they may be updated from time to time.

5.4. Suppliers. The Group Companies shall, as soon as practical after the Closing, formulate a comprehensive supplier management system so as to assure the Group Companies shall only deal with qualified and legally-licensed suppliers.

5.5. Clinical Operations. The Group Companies shall, as soon as practical after the Closing, issue and implement policies and standard operating procedures for the management, collection, use, transfer and disposal of research data, clinical data and other data protection requirements. The Group Companies further agree that, as soon as practical after the Closing, they shall develop internal policies to ensure that for any Protected Health Information ("**PHI**"), as defined by HIPAA (or similar law outside the United States, as applicable), the Group Companies shall obtain or cause to be obtained (prior to accessing PHI or providing such PHI access) from each such subject an authorization in compliance with HIPAA (or similar law outside the United States, as applicable) sufficient for access, license and use of such information, or, to the extent applicable, waiver of authorization from an institutional review board or privacy board.

5.6. Composition of the Board of each Group Company. The board of directors of each Group Company shall be so constituted such that it shall have the same number of directors as the Company, and the Investor and the Founders shall be entitled to appoint the same number of directors to the board of directors of each Group Company and any Affiliate thereof as they are entitled to appoint to each board of directors of the Company. All registration formalities of the directors of the Group Companies shall be completed and corresponding documents evidencing such registration shall be delivered to the Investors within four (4) months after the Closing.

5.7. Employment Agreement, Confidentiality and Invention Assignment Agreement and Non-Compete and Non-Solicitation Agreement. The Warrantors shall cause each of the future key employees of each Group Company to enter into an employment agreement, a confidentiality and invention assignment agreement, and a non-compete and non-solicitation agreement in form and substance satisfactory to the Investors with any of the Group Companies. Exhibit C lists all "**Key Employees**" of the Company.

5.8. Obligations of Management; Non-Competition. (a) Each Founder covenants that he/she will devote his/her full time and attention to the business of the Group Companies and will use his/her best efforts to develop the business and interests of the Group Companies.
(b) Notwithstanding the other provisions, each Founder covenants that he/she shall bear the liability for the violation of any employment agreement, confidentiality and invention agreement and non-compete and non-solicitation agreement or other similar agreements in substance entered into with his/her former employer and any other person or entity at his/her own expense. Each Founder covenants that he/she shall indemnify the Group Companies for any losses arising from the breach of the aforesaid agreements in this Section 5.8(b). (c) Without the prior written consents of all Investors, each Founder and Key Employees is currently not, will not, and will cause his/her Affiliate not to, directly or indirectly, own, manage, engage in, operate, control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial or otherwise) or participate in the ownership, management, operation or control of, any business, whether in corporate, proprietorship or partnership form or otherwise, that is related to the Principal Business or otherwise competes with any of the Group Companies, other than holding no more than 5% public trading shares of listed companies. Notwithstanding the foregoing (a), (b), and (c), where all the Investors issue written consents stating that the Founder may undertake a course of action contrary to (a), (b), or (c), such course of action shall be allowed.

5.9. Anti-corruption. The Company covenants that it shall not, and shall not permit any of its subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to, promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, any non-U.S. Public Official, in each case, which are to the best Knowledge of the Company in violation of the Foreign Corrupt Practices Act of the United States of America ("**FCPA**"), as amended, or any other applicable anti-bribery or anti-corruption law in the jurisdiction other than the United States of America. The Company further represents that it shall, and shall cause each of its subsidiaries and Affiliates to, cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents, which are to the best Knowledge of the Company, in violation of the FCPA or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall, and shall cause each of its subsidiaries and Affiliates to, maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems), which are, to the best Knowledge of the Company, necessary to ensure compliance with the FCPA or any other applicable anti-bribery or anti-corruption law.

5.10. Tax Indemnity. The Company and Investors shall (i) bear the cost of respective stamp duty, transfer and/or capital gains taxes and other taxes and duties, if applicable, that are legally required to be paid as a result of the transactions contemplated by this Agreement, and (ii) shall comply with all tax reporting and payment obligations in connection with the sale of Series C Preferred Shares as required by all applicable Laws.

5.11. ESOP. After the Closing, the Parties agree that the CEO will formulate a new management-level equity incentive plan ("**New ESOP Plan**"), whereby 14,005,745 Ordinary Shares shall be issued pursuant to the New ESOP Plan. The Board will approve such New ESOP Plan which will reflect such reserved ESOP pool after the Closing and supersede any existing ESOP plan as soon as practicable and in any event within ninety (90) days after the Closing. The Parties agree that, if the Company successfully submits a Qualified Public Offering application at an internationally recognized securities exchange by March 31, 2019, the Company shall, after the date of submission of the aforesaid application, reserve an additional 1,446,875 Ordinary Shares for issuance under its new ESOP Plan.

5.12. Use of Investors' Name or Logo. Without the prior written consent of the Investors, and whether or not such Investors are then the shareholders of the Company, none of the Group Companies, their shareholders (excluding the Investors), nor the Founder shall use, publish or reproduce the names of the Investors or any similar names, trademarks or logos in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes, except for the fact of the equity investments and shareholding in the Group Companies by the Investors (and in any such case shall not disclose the aggregate or individual investment amounts, pricing or ownership percentage, or any of the term of this Agreement, the Shareholders Agreement, or any of the Ancillary Agreements).

5.13. Intellectual Property Protection. The Group Companies shall establish and maintain appropriate intellectual property inspection systems to protect the intellectual property of the Group Companies. The Group Companies shall, and the Warrantor shall cause the Group Companies to, make best efforts to fully comply with the laws and regulations in respect of the protection of the intellectual property and refrain from interfering with the intellectual property rights of others.

5.14. Completion Acceptance of Environmental Protection. Completion Acceptance of Environmental Protection (□□□□□□□□□□) of the real estate of the Company located at No. 88 Shangke Road, Zhangjiang Innopark, Pudong District, Shanghai shall be completed within six (6) months after the Closing.

5.15. Agreements with the CRO and CMO Suppliers. Within three (3) months following the Closing, the Group Companies shall enter into certain supplementary agreements with contract research, contract manufacturing and other research and development suppliers, under which a definite ownership or mutually agreed co-ownership of intellectual property and inventions and other terms and conditions as necessary in the interest of the Group Companies shall be included.

5.16. No Third Party Rights. Unless otherwise approved by two-thirds (2/3) of the issued and outstanding Preferred Shares (voting together as a single class and calculated on as-converted basis) and at least three-fourths (3/4) of the issued and outstanding Series C Preferred Shares (voting together as a single class and calculated on as-converted basis), (i) the Company shall retain all rights in and control all regulatory matters related to the Development of Core Products, including, without limitation, taking full responsibility for preparing and filing the relevant applications with the regulatory authorities for pre-clinical and clinical studies and for regulatory approval; and (ii) the Company shall retain all rights in and control all aspects of commercialization of Products and the manufacturing and supply of Core Products.

5.17. Regulatory Affairs. Following the Closing, at the request of any Investor, Group Companies shall endeavor to make available to such requesting Investor the summary of such information relating to the submissions, responses and any other correspondence in connection with IND and NDA applications, including without limitation, any application the regulatory approval pertaining to the Core Products is rejected by any regulatory authority, or the regulatory approval of the Core Products is revoked or it is finally determined by the regulatory authority that any Core Product presents a threat to public health, safety or welfare.

5.18. Additional Covenants of Warrantors. Except as contemplated by this Agreement, no resolution of the directors, owners, members, partners or shareholders of any Group Company shall be passed, nor shall any contract or commitment, in each case including without limitation, those relating to any type of equity or debt financing of the Group Company, be entered into, in each case, at any time after the date hereof and prior to the Closing without the prior written consent of the Investor. If at any time after the date hereof and before the Closing, any Warrantor comes to know of any material fact or event which (i) is in any way materially inconsistent with any of the representations and warranties given by any Warrantor, and/or (ii) suggests that any material fact warranted may not be as warranted or may be materially misleading, and/or (iii) might affect the willingness of the Investors to purchase the Series C Preferred Shares, such Warrantor shall give immediate written notice thereof to the Investors in which event any Investor may terminate this Agreement by written notice without any penalty or future obligations whatsoever; *provided, however*, nothing herein shall relieve any party from liability for any breach of this Agreement.

SECTION 6

CONDITIONS TO INVESTOR'S OBLIGATIONS AT CLOSING

The obligation of each Investor to purchase the Series C Preferred Shares in relation to the transaction contemplated hereby is subject to the fulfillment, or waiver by the Investor, of the following conditions:

6.1. Representations and Warranties True and Correct. The representations and warranties of the Warrantors contained in Section 4 hereof shall be true and correct and complete on and as of the date hereof and the Closing with the same force and effect as if they had been made on and as of such date, subject to changes contemplated by this Agreement.

6.2. Performance of Obligations. Each Warrantor shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing, and shall have obtained all approvals (including but not limited to the Board resolution and Shareholder resolution, if applicable, to approve the Transaction Documents and the transaction thereunder, as well as authorize Shares for Series C Additional Issuance for Full Warrant Exercise), consents, waivers and qualifications necessary to complete the transactions contemplated hereby.

6.3. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions to be passed, executed and/or delivered by the Group Companies shall be satisfactory in substance and form to the Investor, and the Investors shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

6.4. Notes Conversion. Each of the Convertible Notes issued by the Company respectively to CBC I-Mab, Tasly, Qianhai FoF and C-Bridge II in the total consideration of US$20,000,000 has been fully converted into certain Series B-1 Preferred Shares in the terms and conditions thereof, whereby 3,714,580 Series B-1 Preferred Shares in aggregate have been issued to the aforesaid holders of the Convertible Notes.

6.5. Warrant Exercise. The Warrant Holders have exercised Tranche I of the Series B Warrant in the total consideration of US$ 20,000,000 such that in aggregate 3,301,849 Series B-2 Preferred Shares of the Company have been newly issued to such Warrant Holders on a pro rata basis. Written confirmations, issued by the Warrant Holders, shall have been delivered to the Investors before the Closing, stating that: (i) only when the Company fails to submit a Qualified Public Offering application at an internationally recognized securities exchange by March 31, 2019, can the Warrant Holders exercise Tranche II of Series B Warrant on a pro rata basis; (ii) otherwise, the Warrant Holders shall unconditionally and irrevocably waive and cancel Tranche II of Series B Warrant; and (iii) the Tranche II of Series B Warrant may only be concurrently exercised by all the Warrant Holders in one lump. In no event there shall be an exercise by any Warrant Holder of Tranche II of Series B Warrant by installments.

6.6. Approvals, Consents and Waivers. Each Group Company and the Investors shall have obtained any and all approvals, consents and waivers necessary for consummation of the transactions contemplated by this Agreement, including, but not limited to, (i) all permits, authorizations, approvals, consents or permits of any governmental authority or regulatory body, and (ii) the waiver by the existing shareholders of the Company of any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Series C Preferred Shares at the Closing.

6.7. Compliance Certificate. At the Closing, the Warrantors shall deliver to each Investor the compliance certificate, executed and delivered by each of the Warrantors and dated as of the Closing Date, certifying that the conditions specified in Section 6 have been fulfilled and stating that there shall have been no Material Adverse Effect to the business, affairs, prospects, operations, properties, assets or condition of each Group Company, if applicable, since the Financial Statement Date.

6.8. Board of Directors. The board of directors of the Company shall have been constituted in accordance with the Restated Articles and the Shareholders Agreement, and a copy of register of directors of the Company certified by its registered agent as of the Closing Date shall have been provided to the Investors.

6.9. Shareholders Agreement. The Company shall have delivered to each Investor a copy of the Shareholders Agreement in the form attached hereto as Exhibit C, duly executed by the Company and all other parties thereto (except for the Investors).

6.10. Approval of Investment. The investment committee of the Investors (if any) shall have approved the purchase of the Series C Preferred Shares contemplated hereunder.

6.11. Indemnification Agreements. The Company shall have executed indemnification agreement in favor of the director appointed by the Investor who shall be entitled to appoint a director to the Board pursuant to the Shareholders Agreement.

6.12. Acceptance by Register Office of Restated Articles for Filing. The Company's memorandum and articles of association shall have been amended and restated by all necessary action of the Board and shareholders to read as set forth in the Restated Articles attached hereto as Exhibit A, and such amendment shall have been duly submitted for filing with the Registrar of Companies of the Cayman Islands prior to or at Closing as evidenced by an email confirmation from the registered agent of the Company.

6.13. Employment Agreement, Confidentiality and Invention Assignment Agreement and Non-Compete and Non-Solicitation Agreement. The Key Employees has entered into an employment agreement, a confidentiality and invention assignment agreement, and a non-compete and non-solicitation agreement in form and substance satisfactory to the Investors with any of the Group Companies.

6.14. No Material Adverse Effect. There shall not have occurred prior to the Closing any event or transaction reasonably likely to have a Material Adverse Effect or above taken as a whole, or on the ability of the Warrantors to consummate the transactions contemplated in this Agreement.

SECTION 7

CONDITIONS TO COMPANY'S OBLIGATIONS AT CLOSING

The obligations of the Company under this Agreement are subject to the fulfillment, or waiver by the Company, at or before the Closing of the following conditions:

7.1. Representations and Warranties True and Correct. The representations and warranties made by the Investors in Section 3 hereof shall be true and correct and complete on and as of the date hereof and the Closing with the same force and effect as if they had been made on and as of such date, subject to changes contemplated by this Agreement.

7.2. Performance of Obligations. The Investors shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by them on or before the Closing.

7.3. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions to be passed by the Investors shall have been obtained prior to the Closing.

7.4. Transaction Documents. The Investors shall have delivered to the Company the original copies of the Transaction Documents to which it is a party, duly executed by the Investor.

SECTION 8

MISCELLANEOUS

8.1. No-Shop. The Warrantors agree that, from the date hereof and until the Closing (the "**Exclusivity Period**"), unless with the prior written consent of the Investors or the Closing would be reasonably foreseen to be prevented from occurring due to reason of the Investor, none of the Warrantors shall, directly or indirectly, take any action to solicit, encourage others to solicit, encourage or accept any offers for the purchase or acquisition of any capital stock of any Group Company, or of all or any substantial part of the assets of any Group Company, any debt financing, or proposals for any merger or consolidation involving any Group Company, nor shall negotiate with or enter into any agreement or understanding with any other person with respect to any such transaction. Subject to the provisions herein, during the Exclusivity Period, the Company shall promptly advise the Investors in writing, and discuss with the Investors the impact on any Group Company, of any merger or acquisition by or involving such Group Company (including its Affiliates), any change of its existing shareholding structure, any transaction not in the ordinary course of business (including but not limited to financing arrangement) or any agreement or proposal regarding the same.

8.2. Indemnification.

Each Warrantor hereby agrees to jointly and severally indemnify and hold harmless the Investor, and the Investor's Affiliates, directors, officers, agents and assigns, from and against any and all indemnifiable losses suffered by the Investor, or the Investor's Affiliates, directors, officers, agents and assigns, directly or indirectly, as a result of, or based upon or arising from any inaccuracy in, or breach or non-performance of any of the representations, warranties, covenants or agreements made by any Warrantor in or pursuant to this Agreement or any of the other Transaction Documents. The rights contained in this Section 8.2 shall not be deemed to preclude or otherwise limit in any way the exercise of any other rights or pursuit of other remedies for the breach of this Agreement or with respect to any misrepresentation. This Section 8.2 shall survive any termination of this Agreement.

For the avoidance of doubt, each party hereto hereby agrees and covenants that (a) it will not challenge or raise a defense to any claim against such party or the exercise of any right or remedy against such party (whether under this Section 8.2 or any other provision of this Agreement or any other Transaction Document) on the grounds that such claim, right or remedy is not enforceable or permitted by applicable laws, and (b) it will do all such things and undertake all such actions, including without limitation any applications to and registrations with the governmental authorities and any other protective measures reasonably requested by other parties hereto, to ensure that the agreement of the parties with respect to liability of such party under the Transaction Documents is given full force and effect.

Notwithstanding the foregoing and anything contained in the Disclosure Schedule or the Transaction Documents, each Warrantor shall, jointly and severally, indemnify the Investors, the Investors' Affiliates, directors, officers, agents and assigns against any damages incurred or suffered as a result of or arising out of any Group Company's default or breach of any contract concerning the license of intellectual property, failure to obtain valid and subsisting rights to use the third-party intellectual property necessary for the purpose of carrying out the Principal Business.

8.3. Default Damages. Provided all conditions in Section 6 have been satisfied or waived by the Investors, in case that any of the Investors fails to pay the Purchase Price pursuant to the terms and conditions herein and such failure is not cured within thirty (30) Business Days after such payment obligation is due, a penalty in the amount of 15% of the Purchase Price shall be paid by such Investor to the Company, beside which the Investor shall not be liable for any other indemnification obligation. For the avoidance of any doubt, if the Investor fails to pay the Purchase Price in accordance with terms and conditions hereof for any reason not attributable to such Investor, no penalty shall be incurred thereby.

8.4. Termination. This Agreement may be terminated at any time by the written mutual agreement by all the Parties hereto. If the Closing does not occur by September 30, 2018 ("**Long Stop Date**"), this Agreement may be terminated by either the Warrantors or any of the Investors (with respect to such Investor only). If there has been a material misrepresentation or material breach of a covenant or agreement contained in this Agreement on the part of any Investor or the Company, respectively, and such breach, if curable, has not been cured within thirty (30) days of such notice, this Agreement may be terminated by either the Company, on the one hand, or such Investor, on the other hand, with respect to such Investor only, by written notice to the other.

8.5. Survival. The representations, warranties, covenants and agreements made herein shall survive any investigation made by any party hereto and the Closing of the transactions contemplated hereby.

8.6. Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto whose rights or obligations hereunder are affected by such amendments. This Agreement and the rights and obligations therein may not be assigned by the Warrantors without the written consent of the Investor. Notwithstanding the foregoing, each Investor has the right to assign its rights or obligations hereunder, including but not limited to the rights to purchase the Series C Preferred Shares to a *bona fide* third party.

8.7. Entire Agreement. The Transaction Documents, and the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof; *provided, however*, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the parties hereto prior to the date hereof, which agreements shall continue in full force and effect until terminated in accordance with their respective terms. Upon execution of this Agreement, the certain term sheets entered into prior to the date hereof, among the Company, the Founder, the Founders Holdco, and respectively with each Investor shall automatically terminate.

8.8. Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in Schedule IV hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) business days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other party as set forth in Schedule IV; or (d) three (3) business days after deposit with an overnight delivery service, postage prepaid, addressed to the parties as set forth in Schedule IV with next- business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider.

Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 8.8 by giving, the other party written notice of the new address in the manner set forth above.

8.9. Amendments and Waivers. Any term of this Agreement may be amended only with the written consent of all parties hereto.

8.10. Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party hereto, upon any breach or default of any other party hereto under this Agreement, shall impair any such right, power or remedy of such former party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring.

8.11. Interpretation; Titles and Subtitles. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and exhibits herein are to sections and exhibits of this Agreement.

8.12. Counterparts. This Agreement may be executed and delivered by facsimile, telecopy, portable document format ("pdf") (or other electronically transmitted) signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.13. Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties' intent in entering into this Agreement.

8.14. Confidentiality and Non-Disclosure.

(a) Disclosure of Terms. The terms and conditions of the Transaction Documents and all exhibits and schedules attached hereto and thereto (collectively, the "**Financing Terms**"), including their existence, shall be considered confidential information and shall not be disclosed by any party hereto to any third party except in accordance with the provisions set forth below; provided that such confidential information shall not include any information that is in the public domain other than caused by the breach of the confidentiality obligations hereunder.

(b) Permitted Disclosures. Notwithstanding the foregoing, any party may disclose any of the Financing Terms to its current or bona fide prospective investor, employees, investment bankers, lenders, partners, accountants, attorneys and Affiliates to the extent reasonably required, in each case only where such persons or entities are under appropriate nondisclosure obligations.

(c) Legally Compelled Disclosure. In the event that any party is requested or becomes legally compelled (including without limitation, pursuant to securities laws and regulations) to disclose the existence of any Transaction Document or any of the exhibits and schedules attached hereto or thereto, or any of the Financing Terms hereof in contravention of the provisions of this Section 8.14, such party (the "**Disclosing Party**") shall provide the other parties (the "**Non-Disclosing Parties**") with prompt written notice of that fact and use all reasonable efforts to seek (with the cooperation and reasonable efforts of the other parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which is legally required to be disclosed and shall exercise reasonable efforts to keep confidential such information to the extent reasonably requested by any Non-Disclosing Party.

(d) Other Information. The provisions of this Section 8.14 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by any of the parties with respect to the transactions contemplated hereby.

8.15. Further Assurances. Each party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement.

8.16. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the Hong Kong S.A.R. of the People's Republic of China ("**Hong Kong**") without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Hong Kong to the rights and duties of the parties hereunder.

8.17. Dispute Resolution. The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all parties within thirty (30) days of the commencement of such negotiations, such dispute shall be referred to and finally settled by arbitration at the Hong Kong International Arbitration Centre in accordance with the UNCITRAL Arbitration Rules (the "**UNCITRAL Rules**") in effect at the time of the arbitration, which rules are deemed to be incorporated by reference in this Section 8.17. The arbitration tribunal shall consist of one (1) arbitrator to be appointed according to the UNCITRAL Rules. The language of the arbitration shall be English.

8.18. Costs. Except as otherwise provided in this Agreement, each Party shall bear its own costs and expenses relating to the transaction contemplated in this Agreement. If the investment contemplated by this Agreement is achieved, the Company shall reimburse the Investors for the relevant costs of legal, financial and commercial due diligence and transaction document preparation, pursuant to the course of the investment, *provided that*, the total amount reimbursed by the Company to all Investors shall not exceed RMB 800,000 or equivalent amount in USD ("**Reimbursement Cap**"). Any reimbursement exceeds the Reimbursement Cap, is allocated to all Investors in proportion to their investment contribution. If the transactions contemplated hereunder and under the other Transaction Documents is not consummated pursuant to this Agreement, the Company and each Investor shall bear its own relevant costs and expenses.

8.19. Definition. In this Agreement, unless the context otherwise requires, capitalized words and expressions have the meanings as set forth in the Shareholders Agreement.

8.20. Independent Investors. Each Investor shall, severally and not jointly enjoy the rights and undertake the obligations provided hereunder and in other Transaction Documents. Any Investor's reluctance to exercise rights or failure to perform obligations shall not constitute an impediment or adverse interference on the other Investors with regard to their respective rights or obligations, and any consequence or liability arisen from such reluctance or failure shall be borne by such Investor and such Investor alone.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

COMPANY:

I-MAB

/s/ I-MAB

HK SUBSIDIARY:

I-MAB BIOPHARMA HONGKONG LIMITED

/s/ I-MAB BIOPHARMA HONGKONG LIMITED

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PRC SUBSIDIARY

I-MAB BIO-TECH (TIANJIN) CO., LTD.

(□□□□□□□□□□□□□□□)

(Official chop)

/s/ I-MAB BIO-TECH (TIANJIN) CO., LTD.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FOUNDERS:

By: /s/ **ZANG JINGWU ZHANG**
Name: **ZANG JINGWU ZHANG**

By: /s/ **QIAN, Lili**
Name: **QIAN, Lili**

By: /s/ **WANG, Zhengyi**
Name: **WANG, Zhengyi**

By: /s/ **FANG, Lei**
Name: **FANG, Lei**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

FOUNDERS HOLDCO:

Mabcore Limited

/s/ **Mabcore Limited**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

Fortune Eight Jogging Limited

/s/ Fortune Eight Jogging Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

C-Bridge II Investment Seven Limited

/s/ C-Bridge II Investment Seven Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

HH IMB Holdings Limited

/s/ HH IMB Holdings Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

Ally Bridge LB Precision Limited

/s/ Ally Bridge LB Precision Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

Marvey Investment Company Limited

/s/ Marvey Investment Company Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

Ally Bridge LB-Sunshine Limited

/s/ Ally Bridge LB-Sunshine Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

Parkway Limited

/s/ Parkway Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

Casiority H Limited

/s/ Casiority H Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

Mab Health Limited

/s/ Mab Health Limited

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INVESTOR:

Tasly International Capital Limited

/s/ Tasly International Capital Limited

SCHEDULE I

SCHEDULE OF FOUNDERS

[***]

SCHEDULE I

SCHEDULE II

[***]

SCHEDULE II

SCHEDULE III

[***]

SCHEDULE III

SCHEDULE IV

NOTICES

[***]

SCHEDULE IV

SCHEDULE V

DISCLOSURE SCHEDULE

[***]

SCHEDULE V

EXHIBIT A

FORM OF RESTATED ARTICLES

[***]

EXHIBIT B

FORM OF THIRD AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

[***]

EXHIBIT C

LIST OF KEY EMPLOYEES

[***]

EXHIBIT D

LIST OF CORE PRODUCTS

[***]

Exhibit 10.7

THE SECURITIES REPRESENTED BY THIS DOCUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OF THE UNITED STATES, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

WARRANT TO PURCHASE SERIES B PREFERRED SHARES OF I-MAB
(a Cayman Islands company)

Warrant No. [Series Number]

September 25, 2017

THIS CERTIFIES THAT, for value received, [Name of Holder] or its permitted assigns (the "Holder"), is entitled, subject to the terms and conditions of this Warrant, at any time and from time to time after the Closing Date (as defined in the Capital Increase Subscription Agreement (the "Purchase Agreement") dated as of September 6, 2017 by and among I-MAB BIO-TECH (TIANJIN) CO., LTD., [Name of Holder]and certain other parties thereto; hereinafter also referred to as the "Effective Date"), and before 5:00 p.m. Hong Kong time on the second (2nd) anniversary of the Effective Date (the "Expiration Date"), to purchase from I-MAB, a Cayman Islands company (the "Company"), up to [Number of Shares under the Warrant] Series B-2 Preferred Shares of the Company at the per share exercise price of US$6.057213 (as may be adjusted from time to time, the "Exercise Price"). The Exercise Price and the number of Warrant Shares (as defined herein) issuable upon exercise of this Warrant are subject to adjustment as provided herein.

Capitalized terms used but not defined in this Warrant shall have the meanings assigned in the Articles of the Company.

1. CERTAIN DEFINITIONS. As used in this Warrant the following terms shall have the following respective meanings:

"Affiliate" means, with respect to a person, any other person that, directly or indirectly, controls, is controlled by or is under common control with such person.

"Qualified IPO" shall have the meaning as prescribed in the Company's Third Amended and Restated Memorandum and Articles of Association (the "Articles").

"Registered Holder" shall mean any Holder in whose name this Warrant is registered from time to time upon the books and records maintained by the Company.

"Securities Regulatory Authority" shall mean any government agency or body with lawful jurisdiction over the public offering or trading of securities, and includes without limitation the U.S. Securities and Exchange Commission (the "SEC") and any similar or successor body, each as constituted from time to time.

"Shareholders Agreement" shall mean the Shareholders Agreement of the Company as amended and restated from time to time.

"Warrant" shall include this Warrant and any warrant delivered in substitution or exchange for this Warrant as provided herein.

"Warrant Shares" shall mean the Series B-2 Preferred Shares of the Company and any other securities, including without limitation any securities into or for which the Series B-2 Preferred Shares have been converted or exchanged, at any time receivable or issuable upon exercise of this Warrant.

2. EXERCISE OF WARRANT

2.1 Payment. Subject to compliance with the terms and conditions of this Warrant and applicable securities laws, this Warrant may be exercised, in whole or in part, at any time or from time to time, on or before the Expiration Date by the delivery of a written notice of exercise form appended hereto as Exhibit A (the "Exercise Notice") duly executed by the Holder, at the principal office of the Company, accompanied by

(a) this Warrant, and

(b) payment, (i) in cash (by check) or by wire transfer, (ii) by cancellation by the Holder of indebtedness of the Company to the Holder; or (iii) by a combination of (i) and (ii), of an amount equal to the product obtained by multiplying the number of Warrant Shares being purchased upon such exercise by the then effective Exercise Price (the resulting product, the "Exercise Amount").

The delivery of an Exercise Notice to the Company by any means customarily used at the time for written commercial communications (including without limitation delivery by facsimile transmission) shall constitute sufficient delivery.

2.2 Shareholders Agreement. By exercising this Warrant, the Holder shall automatically become a party to and be bound by the Shareholders Agreement as an "Investor" (as defined therein).

2.3 Share Certificates; Fractional Shares. As soon as practicable on or after the date of exercise of this Warrant under Section 2.2 above, the Company shall issue to the person or persons entitled to receive the Warrant Shares issuable upon such exercise and shall deliver to such person or persons a certificate or certificates in respect of such Warrant Shares. No fractional shares or scrip representing fractional shares shall be issued upon an exercise of this Warrant.

2.4 Effective Date of Exercise. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above. The person entitled to receive the Warrant Shares issuable upon exercise of this Warrant shall be treated for all purposes as the holder of record of such shares as of the close of business on the date the Holder is deemed to have exercised this Warrant, subject to such person having been entered on the register of members of the Company as the holder of such shares.

2.5 Expiration Date. This Warrant shall expire if it is not exercised prior to or in connection with a Qualified IPO.

3. **VALID ISSUANCE; TAXES AND EXPENSES**. All Warrant Shares issued upon the exercise of this Warrant shall be validly issued, fully paid and non-assessable upon receipt of the Exercise Amount by the Company and the relevant entries being made in the register of members of the Company, and the Company and Holder shall pay or bear respective taxes and other governmental charges and bank fees, printing and authentication fees and expenses, and other miscellaneous costs and expenses that may be imposed or incurred in respect of the issue or delivery of the Warrant Shares pursuant to applicable law.

4. **ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES**. The number of Warrant Shares issuable upon exercise of this Warrant (or any shares or other securities or property receivable or issuable upon exercise of this Warrant) and the Exercise Price are subject to adjustment upon occurrence of the following events:

4.1 Adjustment for Share Splits, Share Subdivisions or Combinations of Shares. If the Company at any time while this Warrant, or any portion hereof, remains outstanding and unexpired shall split, subdivide or combine the Warrant Shares into a different number of securities of the same class, the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately increased and the Exercise Price for such securities shall be proportionately decreased in the case of a split or subdivision, and likewise, the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately decreased and the Exercise Price proportionately increased in the case of a combination. When any adjustment is required to be made in the Exercise Price in accordance with this Section 4.1, the number of Warrant Shares purchasable upon the exercise of this Warrant shall be changed to the number determined by dividing (i) an amount equal to the number of shares issuable upon the exercise of this Warrant immediately prior to such adjustment, multiplied by the Exercise Price in effect immediately prior to such adjustment, by (ii) the Exercise Price in effect immediately after such adjustment.

4.2 Adjustment for Dividends or Distributions of Shares or Other Securities or Property. In case the Company shall make or issue, or shall fix a record date for the determination of eligible holders entitled to receive, a dividend or other distribution with respect to the Warrant Shares (or any shares or other securities at the time issuable upon exercise of the Warrant) payable in (i) securities of the Company or (ii) assets (excluding cash dividends paid solely out of retained earnings), then in each such case, the Holder on exercise of this Warrant at any time after the consummation, effective date or record date of such dividend or other distribution, shall receive, in addition to the Warrant Shares (or such other shares or securities) issuable on such exercise prior to such date, and without the payment of additional consideration therefor, the securities or such other assets of the Company to which such Holder would have been entitled upon such date if such Holder had exercised this Warrant on the date hereof and had thereafter, during the period from the date hereof to and including the date of such exercise, retained such shares and/or all other additional shares available by it as aforesaid during such period giving effect to all adjustments called for by this Section 4.

4.3 Reclassification. If the Company, by reclassification of securities or otherwise, shall change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities that were subject to the purchase rights under this Warrant immediately prior to such reclassification or other change and the Exercise Price therefore shall be appropriately adjusted, all subject to further adjustment as provided in this Section 4. No adjustment shall be made pursuant to this Section 4.3 upon any conversion or redemption of the Warrant Shares which is the subject of Section 4.5.

4.4 Adjustment for Capital Reorganization, Merger or Consolidation. If at any time while this Warrant, or any portion hereof, is outstanding and unexpired there shall occur (i) a reorganization (other than a combination, reclassification, exchange or subdivision of shares as otherwise provided for herein), (ii) a merger or consolidation of the Company with or into another company in which the Company is not the surviving entity, or a reverse triangular merger or similar transaction in which the Company is the surviving entity but the shares of the Company outstanding immediately prior to the merger are converted into other property, whether in the form of securities, cash, or otherwise, and as a result of which the ownership of the Company shall change by fifty percent (50%) or more, or (iii) a sale or transfer of all or substantially all of the Company's assets to any other person, then as a part of such reorganization, merger, consolidation, sale or transfer (collectively, a "Change of Control"), this Warrant shall cease to represent the right to receive Warrant Shares and shall automatically represent the right to receive upon the exercise of this Warrant, during the period specified herein and upon payment of the Exercise Price then in effect, the number of shares or other securities or property that a holder of Warrant Shares deliverable upon exercise of this Warrant would have been entitled to receive in such Change of Control if this Warrant had been exercised as to all such Warrant Shares immediately before such Change in Control, subject to further adjustment as provided in this Section 4. The foregoing provisions of this Section 4.4 shall similarly apply to successive reorganizations, consolidations, mergers, sales, and transfers to the extent that this Warrant is assigned to or assumed by any successor company or entity, whether by operation of law or otherwise, and to the shares or securities of any other corporation that are at the time receivable upon the exercise of this Warrant. If the per-share consideration payable to the holder hereof for Warrant Shares in connection with any such transaction is in a form other than cash or marketable securities, then the value of such consideration shall be determined in good faith by the Company's Board of Directors. In all events, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after the transaction, to the end that the provisions of this Warrant shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant.

4.5 Redemption or Termination of Warrant Shares. In case all or any portion of the authorized and outstanding Warrant Shares are redeemed or converted or reclassified into other securities or property pursuant to the Company's Memorandum and Articles of Association (as amended from time to time) or otherwise, or the Warrant Shares otherwise cease to exist, then, in such case the Holder of this Warrant, upon exercise hereof at any time after the date on which the Warrant Shares are so redeemed or cease to exist (the "Warrant Share Termination Date"), shall receive, subject to the terms of this Warrant, in lieu of the number of Warrant Shares that would have been issuable upon such exercise immediately prior to the Warrant Share Termination Date, the securities or property that would have been received if this Warrant had been exercised in full and the Warrant Shares received thereupon had been simultaneously converted immediately prior to the Warrant Share Termination Date, all subject to further adjustment as provided in this Warrant. Additionally, the Exercise Price shall be immediately adjusted to equal the quotient obtained by dividing (i) the aggregate Exercise Price of the maximum number of Warrant Shares for which this Warrant was exercisable immediately prior to the Warrant Share Termination Date by (ii) the number of Warrant Share for which this Warrant is exercisable immediately after the Warrant Share Termination Date, all subject to further adjustment as provided herein.

5. **CERTIFICATE AS TO ADJUSTMENTS**. In each case of any adjustment in the Exercise Price, or number or type of shares issuable upon exercise of this Warrant, the Chief Executive Officer, the Chief Financial Officer or Controller of the Company shall compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based, including a statement of the adjusted Exercise Price. The Company shall promptly send (by facsimile and by either first class mail, postage prepaid or overnight delivery) a copy of each such certificate to the Holder.

6. **LOSS OR MUTILATION**. Upon receipt of evidence reasonably satisfactory to the Company of the ownership of and the loss, theft, destruction or mutilation of this Warrant, and of indemnity reasonably satisfactory to it, and (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will execute and deliver in lieu thereof a new Warrant of like tenor as the lost, stolen, destroyed or mutilated Warrant.

7. **RESERVATION OF WARRANT SHARES**. The Company hereby covenants that at all times there shall be made available for issuance and delivery upon exercise of this Warrant such number of Warrant Shares or other securities as are from time to time issuable upon exercise of this Warrant. All such shares shall be duly authorized, and when issued upon such exercise, shall be validly issued, fully paid and non-assessable upon receipt of the Exercise Amount by the Company and the relevant entries being made in the register of members of the Company, free and clear of all liens, security interests, charges and other encumbrances or restrictions on sale and free and clear of all preemptive rights, except encumbrances or restrictions arising under federal or state securities laws and the Company's Articles of Association. Issuance of this Warrant shall constitute full authority to the Company's directors who are charged with the duty of executing and updating the register of members of the Company and issuing the necessary certificates for Warrant Shares upon the exercise of this Warrant.

8. TRANSFER AND EXCHANGE.

8.1 Unregistered Security. Holder of this Warrant acknowledges that this Warrant, the Warrant Shares and the Ordinary Shares of the Company have not been registered under the Securities Act of 1933 of the United States, as amended (the "Securities Act"), and agrees not to sell, pledge, distribute, offer for sale, transfer or otherwise dispose of this Warrant, any Warrant Shares issued upon its exercise or any Ordinary Shares issued upon conversion of the Warrant Shares in the absence of (i) an effective registration statement under the Securities Act as to this Warrant, such Warrant Shares or such Ordinary Shares and registration or qualification of this Warrant, such Warrant Shares or such Ordinary Shares under any applicable U.S. federal, state or foreign securities law then in effect, or (ii) an opinion of counsel that such registration and qualification are not required. Each certificate or other instrument for Warrant Shares issued upon the exercise of this Warrant shall bear a legend substantially to the foregoing effect.

8.2 Transferability. Subject to the terms and conditions of this Warrant and compliance with all applicable securities laws, this Warrant and all rights hereunder may be freely assigned, in whole or in part, by the Registered Holder to any affiliate of such Registered Holder or to any person who holds or is acquiring shares of any class or series of the Company, or with prior written consent of the Founders (as defined in the Shareholders Agreement) (which consent shall not be unreasonably withheld, delayed or conditioned), to any other third party, upon surrender of this Warrant properly endorsed and upon payment of any necessary transfer tax or other governmental charge imposed upon such transfer. Upon any partial transfer, the Company will issue and deliver to the Registered Holder a new Warrant or Warrants with respect to the Warrant Shares not so transferred. Each taker and holder of this Warrant, by taking or holding the same, consents and agrees that when this Warrant shall have been so endorsed, the person in possession of this Warrant may be treated by the Company, and all other persons dealing with this Warrant, as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented hereby, any notice to the contrary notwithstanding; provided, however that until a transfer of this Warrant is duly registered on the books of the Company, the Company may treat the Registered Holder hereof as the owner for all purposes.

9. NO RIGHTS OR LIABILITIES AS SHAREHOLDERS. This Warrant shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company.

10. REGISTRATION RIGHTS. All Warrant Shares issuable upon exercise of this Warrant shall be "Registrable Securities" as defined in the Shareholders Agreement (as amended and restated from time to time) and entitled to all registration, public offering and other rights and obligations of holders of Series B-2 Preferred Shares of the Company under the Shareholders Agreement, subject to the respective terms and conditions of each such agreement.

11. NOTICES. All notices and other communications from the Company to the Holder or vice versa shall be given to the recipient at the respective address set forth beneath its signature below, at any address for notices provided in the Shareholders Agreement, or at such other address which the recipient may provide in writing from time to time.

12. **TITLES AND HEADINGS**. The titles, captions and headings of this Warrant are included for ease of reference only and will be disregarded in interpreting or construing this Warrant. Unless otherwise specifically stated, all references herein to "sections" and "exhibits" will mean "sections" and "exhibits" to this Warrant.

13. **GOVERNING LAW**. This Warrant shall be governed by and construed exclusively in accordance with the laws of the Hong Kong S.A.R. of the PRC ("**Hong Kong**") without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Hong Kong to the rights and duties of the parties hereunder.

14. **NO IMPAIRMENT**. The Company will not, through reorganization, consolidation, merger, issue or sale of securities, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Registered Holder of this Warrant against impairment. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise, and (ii) shall take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Warrant Shares upon exercise of this Warrant.

15. **NOTICES OF RECORD DATE**. In case: (i) the Company shall take a record of the holders of its Ordinary Shares or other shares or securities at the time receivable upon the exercise of this Warrant, for the purpose of entitling them to receive any dividend or other distribution, or any right to subscribe for or purchase any shares of any class or any other securities or to receive any other right; (ii) of any consolidation or merger of the Company with or into another company, any capital reorganization of the Company, any reclassification of the share capital of the Company, or any conveyance of all or substantially all of the assets of the Company to another company in which holders of the Company's shares are to receive shares, securities or property of another company; (iii) of any voluntary dissolution, liquidation or winding-up of the Company; or (iv) of any redemption or conversion of all outstanding Series B-2 Preferred Shares; then, and in each such case, the Company will mail or cause to be mailed to the Registered Holder of this Warrant a notice specifying, as the case may be, (A) the date on which a record is to be taken for the purpose of such dividend, distribution or right, or (B) the date on which such event or transaction is to take place, and the time, if any is to be fixed, as of which the holders of record of Warrant Shares shall be entitled to exchange their Warrant Shares for securities or other property deliverable upon such event or transaction. Such notice shall be delivered at least thirty (30) days prior to the date therein specified.

16. **SEVERABILITY**. If any paragraph, provision or clause of this Warrant shall be found or be held to be illegal, invalid or unenforceable, the remainder of this Warrant shall be valid and enforceable and the parties shall use good faith to negotiate a substitute, valid and enforceable provision that most nearly effects the parties' intent in entering into this Warrant.

17. **COUNTERPARTS**. This Warrant may be executed and delivered by facsimile, telecopy, portable document format ("pdf") (or other electronically transmitted) signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18. **MODIFICATION AND WAIVER**. This Warrant and any provision hereof may be amended, waived, discharged or terminated only by an instrument in writing signed by the Company and the Holder of Warrant exercisable for a majority of the aggregate number of Series B-2 Preferred Shares issuable upon exercise of all warrants issued pursuant to the Purchase Agreement.

19. **SATURDAYS, SUNDAYS AND HOLIDAYS**. If the Expiration Date falls on a Saturday, Sunday or bank holiday in the PRC, Hong Kong or the Cayman Islands, the Expiration Date shall automatically be extended until 5:00 p.m. the next Business Day.

20. **DISPUTE RESOLUTION**.

20.1 Any dispute, controversy or claim arising out of, in connection with or relating to this Warrant, including the interpretation, validity, invalidity, breach or termination thereof, shall be settled by arbitration.

20.2 The arbitration shall be conducted in Hong Kong under the UNCITRAL Arbitration Rules in force when the notice of arbitration is submitted in accordance with the said Rules. The number of arbitrators shall be one. The arbitration shall be conducted in the English language.

20.3 Each party shall cooperate with the other in making full disclosure of and providing complete access to all information and documents requested by the other in connection with such arbitration proceedings, subject only to any doctrine of legal privilege or any confidentiality obligations binding on such party.

20.4 The costs of arbitration shall be borne by the losing party, unless otherwise determined by the arbitration tribunal.

20.5 When any dispute occurs and when any dispute is under arbitration, except for the matters in dispute, the parties shall continue to fulfill their respective obligations and shall be entitled to exercise their rights under this Warrant.

20.6 The award of the arbitration tribunal shall be final and binding upon the parties, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

20.7 Regardless of anything else contained herein, any party shall be entitled to seek preliminary injunctive relief from any court of competent jurisdiction pending the conclusion of the arbitration.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Warrant as of the date as set forth above.

I-Mab

Signature: /s/
Name:
Title:

[Name of Holder]

Signature: /s/
Name:
Title:

Schedule of Material Differences

One or more persons purchased warrants from I-Mab using this form. Pursuant to Instruction ii to Item 601 of Regulation S-K, the Registrant may only file this form as an exhibit with a schedule setting forth the material details in which the executed agreements differ from this form:

Series No..	Name of Holder	Number of Shares under the Warrant
Series B-1	CBC Investment I-Mab Limited	4,994,046
Series B-2	Shanghai Tasly Pharmaceutical Co., Ltd.	2,104,928
Series B-3	Qianhai Equity Investment Fund (Limited Partnership)	515,914
Series B-4	Tianjin Kangshijing Biopharmaceutical Technology Partnership (Limited Partnership)	639,734
Series B-5	C-Bridge II Investment Ten Limited	639,734

Exhibit 10.8

FRAMEWORK AGREEMENT

This FRAMEWORK AGREEMENT (this "**Agreement**") is entered into as of May 26, 2017, by and among the following parties:

(A) I-MAB, an exempted company incorporated with valid existence under the laws of the Cayman Islands ("**I-Mab Cayman**");

(B) LEADING BIOPHARM LIMITED (□□□□□□□□□□), a limited liability company incorporated with valid existence under the laws of Hong Kong S.A.R. ("**I-Mab HK**");

(C) I-MAB BIOPHARMA (□□□□□□(□□)□□□□), a wholly foreign owned company incorporated with valid existence under the laws of the People's Republic of China ("**PRC**") ("**I-Mab WFOE**", together with I-Mab Cayman and I-Mab HK, the "**I-Mab Group Companies**");

(D) TASGEN BIO-TECH (TIANJIN) CO., LTD. (□□□□□□□(□□)□□□□), a Sino-foreign equity joint venture incorporated with valid existence under the laws of the PRC ("**Tasgen**");

(E) CBC SPVII LIMITED, a limited liability company incorporated with valid existence under the laws of Hong Kong S.A.R. of the PRC ("**Hong Kong**") ("**CBC**");

(F) GENEXINE, INC., a limited liability company incorporated with valid existence under the laws of the Republic of Korea ("**Genexine**");

(G) SHANGHAI TASLY PHARMACEUTICAL CO., LTD. (□□□□□□□□□□□), a limited liability company incorporated with valid existence under the laws of the PRC ("**Tasly**", together with CBC and Genexine, the "**Tasgen Shareholders**" and each a "**Tasgen Shareholder**"), and

(H) the individuals and entities listed in Schedule I attached hereto (the "**I-Mab Shareholders**" and each an "**I-Mab Shareholder**").

RECITALS

WHEREAS, as of the date hereof, the I-Mab Shareholders collectively own of record and beneficially 100% of all of the issued and outstanding shares of I-Mab Cayman; I-Mab Cayman owns of record and beneficially 100% of all of the issued and outstanding shares of I-Mab HK; and I-Mab HK owns of record and beneficially 100% of the equity in I-Mab WFOE; and

WHEREAS, as of the date hereof, CBC owns of record and beneficially 33.33% of the equity in Tasgen representing registered capital of US$15,000,000 (the "**CBC Equity**"); Genexine owns of record and beneficially 33.33% of the equity in Tasgen representing registered capital of US$15,000,000 (the "**Genexine Equity**"); and Tasly owns of record and beneficially 33.34% of the equity in Tasgen representing registered capital of US$15,000,000 (the "**Tasly Equity**"); and

WHEREAS, the I-Mab Group Companies are engaged in the business of research, development of pharmaceutical products and medical devices; the commercialization, production and sale of pharmaceutical products and medical devices; the transfer of technology, technical services and technical consulting reasonably proposed to be conducted by the Group Companies after the Group Companies obtain the relevant licenses with respect to such production or sale (the "**I-Mab Business**"); and Tasgen is engaged in the business of pre-clinical and clinical development of pharmaceutical products, technology development, transfer and consulting service of biological technology (the "**Tasgen Business**"); and

WHEREAS, the parties hereof desire to merger the I-Mab Business and Tasgen Business subject to conditions and on the terms set forth herein; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereof agree as follows:

1. Transactions.

(a) I-Mab Cayman Securities Subscription. as soon as practical after the execution of this Agreement, I-Mab Cayman and each CBC and Genexine shall execute and deliver to each other the Series A-3 Share Purchase Agreement in the form attached hereto as Exhibit A (the "**Share Purchase Agreement**", and the transaction contemplated therein is referred as the "**Cayman Securities Subscription**").

i. Subject to the terms and conditions of this Agreement and the Share Purchase Agreement, I-Mab Cayman agrees to issue to CBC, and CBC agrees to purchase and subscribe, by itself or through one or more affiliates designated by CBC (each, a "**CBC Designee**"), from I-Mab Cayman, 8,361,823 Series A-3 Preferred Shares in a total consideration of receipt by I-Mab Cayman of a Promissory Note(s) made by CBC or the CBC Designee(s) in a total amount of $15,000,000 in the form of Exhibit B-1 (the "**CBC Note**") pursuant to Seciton 2. Notwithstanding the foregoing, the deemed issuance price of each Series A-3 Preferred Share to be issued to CBC or the CBC Designee(s) shall be US$2.5434.

ii. Subject to the terms and conditions of this Agreement and the Share Purchase Agreement, I-Mab Cayman agrees to issue to Genexine, and Genexine agrees to purchase and subscribe, by itself or through one or more affiliates designated by Genexine (each, a "**Genexine Designee**"), from I-Mab Cayman, 8,361,823 Series A-3 Preferred Shares in a total consideration of receipt by I-Mab Cayman of a Promissory Note(s) made by Genexine or the Genexine Designee(s) in a total amount of $15,000,000 in the form of Exhibit B-2 (the "**Genexine Note**", together with the CBC Note, the "**Notes**" or the "**Subscription Considerations**") pursuant to Seciton 2. Notwithstanding the foregoing, the deemed issuance price of each Series A-3 Preferred Share to be issued to Genexine or the Genexine Designee(s) shall be US$2.5434. For the avoidance of doubt, all parties hereto agree and acknowledge that there may be a risk that is beyond control of Genexine where a relevant Korean bank and/or Korean government authorities may not permit this transaction of Subscription Considerations and in such event, Genexine shall use its best efforts to obtain such permission from the relevant Korean bank and/or the Korean government authorities. Despite of such effort, if Genexine cannot obtain such permission, the Share Purchase Agreement and the Tasgen ETA (as defined below) shall be void to Genexine without impact to the other parties hereto and all parties agree that I-Mab Cayman shall grant Genexine an option in accordance with an option agreement in the form substantially the same as the Option Agreement (as defined below) to be entered into by Tasly and other related agreements to purchase 8,361,823 Series A-3 Preferred Shares.

(b) I-Mab Cayman Option Subscription. upon Closing (as defined below), I-Mab Cayman and Tasly shall execute and deliver to each other the Option Agreement in the form attached hereto as Exhibit C (the "**Option Agreement**", and the transaction contemplated therein is referred as the "**Cayman Option Subscription**").

i. Subject to the terms and conditions of this Agreement and the Option Agreement, I-Mab Cayman agrees to issue to Tasly, and Tasly agrees to purchase and subscribe, by itself or through one or more affiliates designated by Tasly (each, a "**Tasly Designee**"), from I-Mab Cayman, an option to purchase 8,361,823 Series A-3 Preferred Shares. Notwithstanding the foregoing, the deemed issuance price of each Series A-3 Preferred Share to be issued to Tasly or the Tasly Designee(s) upon the exercising of the option thereof shall be US$2.5434.

ii. Schedule II hereof sets forth a complete list of all outstanding shareholders and holders of option of I-Mab Cayman immediately after the Cayman Securities Subscription and Cayman Option Subscription, indicating the type and number of shares held by each such shareholder.

(c) Contribution of the Subscription Considerations. immediately following the consummation of the Cayman Securities Subscription, I-Mab Cayman shall contribute the Subscription Considerations to I-Mab HK to purchase and subscribe new shares from I-Mab HK ("**HK Contribution**").

(d) Tasgen Transfer. Simultaneously with the execution of the Share Purchase Agreement, I-Mab HK and each of CBC and Genexine or their transferee(s) shall execute and deliver to each other the Equity Transfer Agreement in the form of Exhibit D attached hereto (the "**Tasgen ETA**", and the transaction contemplated therein is referred as the "**Tasgen Transfer**").

i. Subject to the terms and conditions of this Agreement and the Tasgen ETA, CBC agrees to transfer the CBC Equity to I-Mab HK and I-Mab HK hereby agrees to purchase the CBC Equity from CBC in a total consideration of US$15,000,000 by cancellation of the principals and interests (if any) under the CBC Note and returning the CBC Note to CBC.

ii. Subject to the terms and conditions of this Agreement and the Tasgen ETA, Genexine agrees to transfer the Genexine Equity to I-Mab HK and I-Mab HK hereby agrees to purchase the Genexine Equity from Genexine in a total consideration of US$15,000,000 by returning the Genexine Note to Genexine, and Genexine thereafter has no obligation of payment by the Genexine Note.

iii. Tasly hereby agrees to waive its right of first refusal under the PRC laws, the Sino-Foreign Euqity Joint Venture Contract entered into by the Tasgen Shareholders dated October 15, 2015 and the Restated Articles of Association of Tasgen dated October 15, 2015 with respect to the Tasgen Transfer.

(e) Tasgen Capital Increase. simultaneously with the execution of the Tasgen ETA, I-Mab HK and Tasgen shall execute and deliver to each other the Capital Increase Agreement in the form of Exhibit E attached hereto (the "**Tasgen Capital Increase Agreement**", and the transaction contemplated therein is referred as the "**Tasgen Capital Increase**", together with Cayman Securities Subscription, Cayman Option Subscription, HK Contribution, and Tasgen Transfer, the "**Transactions**").

i. Subject to the terms and conditions of this Agreement and the Tasgen Capital Increase Agreement, Tasgen shall increase US$28,109,733 in its registered capital to be subscribed by I-Mab HK for a subscription price of US$28,109,733, of which, US$6,000,000 shall be paid by way of transfer of 100% equity interest in I-Mab WFOE held by I-Mab HK and the remaining US$22,109,733 shall be paid in cash with the proceeds generated from I-Mab Cayman's next round financing.

ii. Tasly hereby agrees to waive its pre-emptive right under the PRC laws, the Sino-Foreign Euqity Joint Venture Contract entered into by the Tasgen Shareholders dated October 15th, 2015 and the Restated Articles of Association of Tasgen dated October 15th, 2015 with respect to the Tasgen Capital Increase.

iii. After the Tasgen Capital Increase, Tasly's equity interest in Tasgen shall be diluted to 20.517% and I-Mab WFOE shall be a 100% subsidiary of Tasgen.

(f) Schedule III hereof sets forth a corporate chart immediately after the completion of the Transactions.

(g) the Share Purchase Agreement, the Notes, the Option Agreement, the Tasgen ETA, the Tasgen Capital Increase Agreement and the other documents executed in connection herewith and therewith are collectively referred to herein as the "**Transaction Documents**".

(h) Each of the parties hereto shall use all reasonable efforts to take, or cause to be taken, all appropriate action, do or cause to be done all things necessary, proper or advisable under applicable law, and to pass such resolutions and execute and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement and consummate and make effective the Transactions. If any Transactions are unenforceable because of restrictions under the applicable laws, the parties hereto shall make reasonable best efforts to find and apply suitable solutions permissible under the applicable laws in order to consummate and make effective the Transactions, including but not limited to the situation where if Tasgen Capital Increase cannot be approved by the relevant authorities, I-Mab HK agrees to transfer to Tasgen and Tasgen agrees to acquire from I-Mab HK all of its equity interest in I-Mab WFOE at the lowest price as permitted by the applicable laws and I-Mab HK shall contribute the transfer proceeds into Tasgen as part of its capital contribution.

2. Closing. The consummation of the Cayman Securities Subscription pursuant to Section 1.(a), the Cayman Option Subscription pursuant to Section 1.(b), the HK Contribution pursuant to Section 1.(c), the Tasgen Transfer pursuant to Section 1.(d) and the Tasgen Capital Increase pursuant to Section 1.(e) shall take place (the "**Closing**") in below sequence:

(a) On the third (3rd) business day after all closing conditions specified in Section 3 hereof and specified in the Transaction Agreements have been waived or satisfied, (i) each of CBC and Genexine or its relevant designee(s) shall transfer its respective Subscription Consideration to I-Mab Cayman; (ii) each of IBC Investment Seven Limited and I-Mab Cayman shall execute and deliver to each other the Termination Agreement in the form of Exhibit F attached hereto to terminate the Warrant to Purchase Series A-3 Preferred Shares of I-Mab issued by I-Mab Cayman to IBC Investment Seven Limited dated October 18th, 2016; and (iii) I-Mab Cayman shall (x) deliver the share certificate representing 8,361,823 Series A-3 Preferred Shares to each of CBC and Genexine or its relevant designee(s) on the same day; (y) deliver the updated register of members of I-Mab Cayman, certified by the registered office of I-Mab Cayman, setting out each of CBC and Genexine or its relevant designee(s) holding 8,361,823 Series A-3 Preferred Shares; and (z) deliver the updated register of directors of I-Mab Cayman, certified by the registered office of I-Mab Cayman, reflecting a director designated by Genexine as a director of I-Mab Cayman.

(b) Simultaneous with the consumption of Cayman Securities Subscription, (i) I-Mab Cayman and Tasly shall execute and deliver to each other the Option Agreement; and (ii) I-Mab Cayman shall deliver the updated register of directors of I-Mab Cayman, certified by the registered office of I-Mab Cayman, reflecting the appointment of Mr. Kaijing Yan as director of I-Mab Cayman.

(c) As soon as practical but in no event later than one (1) business day after I-Mab Cayman's receipt of the Subscription Considerations from the Tasgen Shareholders in accordance with Section 2(a), I-Mab Cayman shall contribute all Subscription Considerations to I-Mab HK.

(d) As soon as practical but in no event later than one (1) business day after I-Mab HK's receipt of the Subscription Considerations from I-Mab in accordance with Section 2(c), I-Mab HK shall (i) cancel the principals and interests (if any) under the CBC Note, and (ii) cancel the principals and interests (if any) under the Genexine Note.

(e) Simultaneous with the consumption of Cayman Securities Subscription, Tasgen shall increase US$28,109,733 in its registered capital, of which, US$6,000,000 shall be paid by way of transfer of 100% equity interest in I-Mab WFOE held by I-Mab HK and the remaining US$22,109,733 shall be paid in cash with the proceeds generated from I-Mab Cayman's next round financing.

3. Closing Conditions. The obligations of the parties hereto to consummate the closing under Section 2 of this Agreement are subject to the fulfillment on or prior to the closing of the following conditions:

(a) The parties shall have executed and delivered an Amended and Restated Shareholders Agreement of I-Mab Cayman in the form attached hereto as Exhibit G.

(b) The parties shall have executed and delivered a Shareholders Agreement of Tasgen to establish certain respective rights and obligations of Tasly, I-Mab HK and the then existing shareholders of I-Mab Cayman in the form attached hereto as Exhibit H.

(c) The Restated JV Contract and the Restated Articles of Association of Tasgen to reflect the Tasgen Transfer and Tasgen Capital Increase shall have been unanimously adopted by the existing board of directors of Tasgen and I-Mab HK to read as set forth in the form attached hereto as Exhibit I.

(d) The Second Amended and Restated Memorandum and Articles of Association of I-Mab Cayman shall have been unanimously adopted by the existing shareholders and filed with the Registrar of Companies of the Cayman Islands to read as set forth in the form attached hereto as Exhibit J.

(e) The Tasgen Transfer, the Tasgen Capital Increase and the Restated JV Contract and the Restated Articles of Association of Tasgen shall have been duly registered and filed with the relevant PRC government authorities.

(f) The change of the sole shareholder of I-Mab WFOE from I-Mab HK to Tasgen shall have been duly registered and filed with the relevant PRC government authorities.

(g) the representations and warranties contained in Section 5 of this Agreement shall be true on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing.

(h) The investment committee of each of the Tasgen Shareholders (if any) shall have approved the purchase of the Series A-3 Preferred Shares contemplated hereunder.

(i) Tasgen Shareholders shall have completed and be satisfied with the results of all business, legal and financial due diligence and any items requiring correction identified by Tasgen Shareholders shall have been corrected to Tasgen Shareholders' satisfaction. Without limiting the foregoing, Tasgen Shareholders shall have received from I-Mab Cayman or the relevant I-Mab Group Company, as applicable, all documents and other materials requested by Tasgen Shareholders for the purpose of examining and confirming (i) the rights of any I-Mab Group Company with respect to its businesses as now conducted and proposed to be conducted and the status of such rights shall be satisfactory to each Investor in its sole discretion, and (ii) the compliance with all applicable tax reporting and payment requirements as of the Closing by the I-Mab Group Companies.

(j) The amendment to the Intellectual Property Assignment and License Agreement entered into between Genexine and Tasgen dated October 15th, 2015 shall have been agreed by and entered into between Genexine and Tasgen.

4. Effectiveness. Notwithstanding anything to the contrary in any Transaction Document, none of the Transactions shall be deemed effective unless and until all of the Transactions are deemed effective.

5. Representations and Warranties of the Parties. Each party hereto represents and warrants on the date hereof and as of the Closing to each other party as set forth in this Section 5 that the following statements are true and correct at the date of this Agreement and as of the Closing.

(a) Organization; Good Standing; Qualifications. If the party is an entity, such party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its establishment. It has all requisite power and authority to enter into this Agreement.

(b) Authorization. Such party has the power and authority to enter into this Agreement, and the Agreement constitutes its valid and legally binding obligation, enforceable in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

6. Certain Covenants and Agreements.

(a) The board of directors of I-Mab HK, Tasgen and I-Mab WFOE shall be so constituted such that it shall have the same directors as I-Mab Cayman.

(b) The Joint Venture Agreement, which were entered into by and among the Tasgen Shareholders dated October 15th, 2015 shall be restated without the impact of validness and effectiveness of the IP License Agreement.

(c) Each party hereto shall take all actions necessary to perform its obligations and otherwise effect the provisions of this Agreement and take any other necessary actions so as to cause the provisions of this Agreement to be promptly and fully carried out and complied with.

7. Termination.

(a) This Agreement may be terminated at any time prior to the Closing (i) by the written agreement of all the parties hereto.

(b) If this Agreement is terminated pursuant to the terms hereof, this Agreement shall forthwith terminate and have no further force and effect and no party shall have any obligations or liability hereunder, except that (i) nothing in this Section 7 shall be deemed to release any party from any liability for any breach by such party of the terms of this Agreement and (ii) Section 8 shall survive such termination indefinitely.

8. Miscellaneous.

(a) Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors nd assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

(b) Governing Law. This Agreement shall be governed by and construed under the laws of Hong Kong, without regard to principles of conflicts of law thereunder.

(c) Dispute Resolution. The parties hereto agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all parties within thirty (30) days of the commencement of such negotiations, such dispute shall be referred to and finally settled by arbitration at the Hong Kong International Arbitration Centre in accordance with the UNCITRAL Arbitration Rules (the "**UNCITRAL Rules**") in effect at the time of the arbitration, which rules are deemed to be incorporated by reference in this Section 8.(c). The arbitration tribunal shall consist of one (1) arbitrator to be appointed according to the UNCITRAL Rules. The language of the arbitration shall be English.

(d) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(e) Notices. Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon personal delivery to the party to be notified or on the tenth day after the date mailed, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address indicated for such party on the signature page hereof, or at such other address as such party may designate by ten days' advance written notice to the other parties, or on the first business day following the date of transmission by facsimile.

(f) Headings and Titles. Headings and titles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(g) Entire Agreement; Amendments and Waivers. This Agreement and the documents referred to herein constitute the entire agreement among the parties hereto and no party shall be liable or bound to any other party in any manner by any warranties, representations, or covenants except as specifically set forth herein or therein. Time is of the essence with respect to the matters set forth in this Agreement. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of all the parties hereto.

(h) Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

(i) Further Assurances. The parties hereto agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the intent of this Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

I-Mab Group Companies

I-Mab

/s/ I-Mab

LEADING BIOPHARM LIMITED

/s/ LEADING BIOPHARM LIMITED

I-MAB BIOPHARMA

/s/ I-MAB BIOPHARMA

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

TASGEN BIO-TECH (TIANJIN) CO., LTD.

/s/ TASGEN BIO-TECH (TIANJIN) CO., LTD.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

GENEXINE, INC

/s/ GENEXINE, INC

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

SHANGHAI TASLY PHARMACEUTICAL CO., LTD.

/s/ SHANGHAI TASLY PHARMACEUTICAL CO., LTD.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

I-Mab Shareholders

Mabcore Limited

/s/ Mabcore Limited

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

BioScikin Co., Ltd.

/s/ BioScikin Co., Ltd.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

Blue Sky Resources Investment Ltd
/s/ Blue Sky Resources Investment Ltd

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

IBC Investment Seven Limited
/s/ IBC Investment Seven Limited

Re-organization Framework Agreement

This Re-organization Framework Agreement (hereinafter referred to as "**this Agreement**") is signed on April 18, 2018 in Tianjin by and among:

Party A: Qianhai Equity Investment Fund (Limited Partnership)
Registered address: ***
Managing partner: ***

Party B: I-Mab Bio-tech (Tianjin) Co., Ltd.
Registered address: ***
Legal representative: ***

Party C: Qianhai Ark (Cayman) Investment Co. Limited
Registered address: ***
Authorized signatory: ***

Party D: I-Mab
Registered address: ***
Authorized signatory: ***

Party E: I-Mab Biopharm Limited
Registered address: ***
Authorized signatory: ***

Party F: Qianhai Mother Fund Equity Investment (Shenzhen) Co., Ltd.
Registered address: ***
Legal representative: ***

WHEREAS,

1. Party B is a Chinese-foreign joint venture incorporated and existing under the laws of the People's Republic of China with registered capital of US$80,062,985. At present, Party A holds 2.273% of Party B's equity (corresponding to its subscribed Party B's registered capital of US$1,819,613) (hereinafter referred to as **"Target Equity"**);

2. For the purpose of Party D's initial public offering and listing of its shares (hereinafter referred to as **"Listing"**) on [***] (hereinafter referred to as the "[***]"), Party B's existing equity structure needs a series of restructuring adjustments (hereinafter referred to as the **"Restructuring"**) to make it meet the requirements of Listing on [***], of which Party A intends to convert through a series of restructuring the equity of Party B directly held by Party A and the rights and interests related thereto into its shareholding in Party D through Party F and Party C; and

3. Under the Option Agreement signed jointly by the parties on September 25, 2017, Party D grants Party A or its affiliates the right to subscribe for certain shares issued by Party D at the agreed subscription price. Party A pays the price for such subscription by transferring the equity of Party B held by Party A to Party E.

In order to facilitate implementation of this restructuring step and realize of the above-mentioned restructure objectives, the parties hereby enter into this Agreement and agree to be bound hereby:

Article 1 Overall arrangement of this restructuring plan

1. **Equity Rollover:** Party A intends to roll over the equity of Party B directly held by Party A into equity in Party D to be held by Party F and Party C (hereinafter referred to as **"Equity Rollover"**). The Equity Rollover shall be implemented as follows: Party A, through Party F and Party C, subscribes for the additional shares issued by Party D at certain share price (hereinafter referred to as **"share subscription price**"); Party D pays Party E the share subscription price received by Party D in the form of capitalization (capital increase or loan); and Party E purchases the Target Equity of Party B held by Party A at the consideration of the share subscription price received by Party E.

2. **Convertible Bonds (CB):** under the Loan Agreement signed by Party A, Party B and I-Mab Bio-tech (Tianjin) Co., Ltd. on September 25, 2017 (hereinafter referred to as the **"Loan Agreement"**), Party A provides Party B with a loan of $1,250,000 in principal. Under the Loan Agreement, Party A shall have the right to convert its creditor's rights thereunder to the equity interest in Party B (hereinafter referred to as the "**Equity Conversion Arrangement"**). The Parties agree that (1) Party A shall irrevocably and unconditionally waive and release Party B's obligation to pay interest on the loan under the Loan Agreement, which means that Party B is not obligated to repay the interest under the Loan Agreement; and (2) the Equity Conversion Arrangement contemplated under the Loan Agreement shall be fully terminated without any further affect. Party A further agrees and acknowledges that it does not have any rights to any equity or any proposed new registered capital of Party B (hereinafter referred to as the "**Termination of Equity Conversion Arrangement**"). In addition, as an alternative to the Equity Conversion Arrangement, the Parties agree to provide separately convertible bonds in the amount of US$1,250,000 from Party C to Party D, the conditions to convert which bonds into equity shall, subject to compliance with all applicable regulatory requirements of the [***], be substantially similar with the conditions provided for equity conversion in the Loan Agreement (hereinafter referred to as the **"Alternative Equity Conversion"**, and collectively with the Termination of Equity Conversion Arrangement, the **"Convertible Bond Arrangement"**). In respect of the Convertible Bond Arrangement, Party A and Party B, and Party C and Party D intend to further sign a supplementary agreement on the Loan Agreement after signing this Agreement, and reach an agreement on the above matters in the supplementary agreement. For the avoidance of doubt, the Convertible Bond Arrangement shall not take effect until and unless the Parties execute the relevant supplementary agreement.

3. **Warrant:** According to the Warrant to Purchase Series B Preferred Shares of I-Mab entered into by and between Party E and Party A on September 25, 2017 (hereinafter referred to as "**Warrant Agreement**"), Party A has the right to subscribe up to 515,914 shares of Series B preferred shares issued by I-Mab at the price of US$6.057213 per share (hereinafter referred to as "**Warrant**"). The Parties agree that Party C shall pay the price of subscription for exercising the Warrant to Party D's account by taking Step 1 provided hereunder no later than 35 days before the date of Party D's decision to submit the listing application to [***], so that Party D may have time to effect additional issuance and registration of shares; otherwise Party C will be deemed to have waived the Warrant (Party D initially decided to submit listing application by [***], unless otherwise agreed by the parties).

Article 2 Implementation steps of this Restructuring plan

1. **Step 1**: Party C shall reach a share subscription agreement with Party D by April 15, 2018, whereby Party C shall make capital contribution to Party D in the amount of US$[5,160,667] (including the equity subscription price of US$2,035,667 and the share option price of US$3,125,000. If Party A waives such subscription right, the amount of capital contribution is US$2,035,667), and the number of additional shares to be subscribed by Party C from Party D is [1,971,463] shares (if Party A waives such subscription right, the number of shares for subscription is [1,455,549] shares). On the same day, Party C and Party D shall sign a convertible bond agreement, whereby Party C shall subscribe for the convertible bonds of US$1,250,000 issued by Party D. Party C shall pay the share subscription price and convertible bond subscription amount to Party D within 5 business days after the execution of the aforementioned agreement.

2. **Step 2**: Within five (5) business days after receiving the share subscription price under Step 1, Party D shall provide the share subscription price received under Step 1 to Party E in the form of [capital increase or shareholder loan].

3. **Step 3**: Party A and Party E shall sign the equity transfer agreement on the same day as the agreements signed under Step 1, which provides that Party A shall transfer all the shares of Party B held by Party A to Party E, and the Target Equity transfer price shall be determined on the basis of the results of asset evaluation. Party B has appointed an appraiser to evaluate the overall value of Party B based on asset-based method and issue an appraisal report by March 30, 2018. The Parties confirm and agree to use such report as the pricing basis for Party A to transfer its equity interest in Party B to Party E. The Parties agree to make every effort to take feasible actions to complete the transfer of such shares and to urge Party B to go through the formalities for industrial and commercial registration as soon as possible for the transfer of such shares. The tax involved in the equity transfer under this step is stamp duty, which is required to by paid by each of Party A and Party E at an amount equal to 0.05% of equity transfer price. The Parties agree that in order to simplify the transaction procedures, the stamp duty to be payable under this step shall be borne by Party A.

4. If Party D fails to complete the Listing on [***] by [the latest Listing date provided under the shareholders' agreement], the Parties to this agreement will make separate negotiations.

Article 3 Duties of the Parties

1. Party A confirms that in respect of the restructuring under this Agreement, it will go through the corresponding procedures for overseas investment through Party F based on Party A's funding position. Such procedures shall include: (i) The procedures for the review and approval of overseas investment for Party C's capital increase by Party F, including obtaining the notification of overseas investment filing issued by the National Development and Reform Commission for overseas investment; obtaining the approval certificate for enterprise overseas investment issued by the competent commercial authority; and relevant registration required for going through the formalities necessary for exchange and payment of foreign currency; (ii) after Party A completes the capital increase to Party D through Party E and Party C, Party F shall go through the formalities for the filing of reinvestment of outbound investment with the competent commercial authority. Party A shall further confirm that the share subscription price and convertible bond subscription payments to Party B under Step 1, Article 2 of this Agreement shall be paid to the account designated by Party D in connection with the restructuring under this Agreement, regardless of the use of domestic or overseas funds. Party A and Party F jointly promise to provide scanned copies of the relevant documents to Party B after completing the procedures for outbound investment.

2. The Parties acknowledge and agree that, as long as it is permitted under applicable laws, regulations and policies, they shall ensure or urge their appointed directors to sign and complete all contracts, agreements, board resolutions, shareholders' meeting resolutions/shareholder decisions, commitments or other documents related to this Restructuring, take and/or urge their appointed directors or authorized representatives to take all actions required to complete this Restructuring, including but not limited to submitting applications to government agencies, submitting reasonably required or appropriate documents for approvals and registration in relation to this Restructuring, and obtaining all government agency approvals and internal authorizations required to complete the Restructuring in accordance with the laws, in order to facilitate the various restructuring steps proposed in this Agreement to take effect or have legal effect.

3. The Parties acknowledge and agree that all tax liabilities arising from or involved in the transactions under this Agreement shall be borne by the applicable taxpayer in accordance with the law, and the other Parties shall be obliged to provide necessary assistance to the taxpayer in fulfilling their tax obligations.

Article 4 Confidentiality

The Parties warrant to keep in confidence the documents and information obtained by it in the course of discussion, signing and execution of this Agreement (including, but not limited to, business secrets, company plans, operational activities, financial information, technical information, operational information and other business secrets) which belong to the other Party and cannot be obtained in public domains. Without consent of the original party disclosing such information, the other Parties shall not disclose or transfer all or part of the business secret to any third party, unless it is disclosed to any third party by the parties and/or the relevant cooperating entities of the parties for the purpose of completing the restructuring and fundraising, and otherwise required by laws and regulations or agreed in writing by the parties. The term of confidentiality shall be from the date on which any Party is notified of such confidential information until the second (2) anniversary of the date of signing this Agreement.

Article 5 Applicable Law and Dispute Resolution

The laws of the People's Republic of China shall apply to the execution, validity and performance of this Agreement and the resolution of disputes therein, and shall be interpreted in accordance with their interpretation. All disputes arising from this Agreement shall be revolved friendly through negotiation. In case no resolution can be reached through negotiation, the Parties agree to submit the case to the China International Economic and Trade Arbitration Commission for arbitration. The arbitral award shall be final and binding upon all Parties. The arbitration shall be conducted in [Beijing], and the language used in the arbitration shall be Chinese.

Article 6 Effectiveness

This Agreement shall come into force on the date of signature by the parties and shall be legally binding on the Parties (this Agreement may be scanned by one Party into a PDF document after signature and shall be continued to be signed by the other parties on the printed document of this PDF document and scanned into a PDF document for distribution to the other Parties. The signature of the PDF document has legal effect). The specific operation of the subsequent steps shall be made in accordance with the provisions under the relevant agreements to be signed therefor.

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(No text, signature page of the “Re-organization Framework Agreement” signed by the parties on April 18, 2018)

Party A: Qianhai Equity Investment Fund (Co., Limited)
Managing partner: ***

/s/ Qianhai Equity Investment Fund (Co., Limited)

Party B: I-Mab Bio-tech (Tianjin) Co., Ltd. (seal)

/s/ I-Mab Bio-tech (Tianjin) Co., Ltd.

Party C: Qianhai Ark (Cayman) Investment Co. Limited

/s/ Qianhai Ark (Cayman) Investment Co. Limited

Party D: I-Mab

/s/ I-Mab

Party E: I-Mab Biopharm Limited

/s/ I-Mab Biopharm Limited

Party F: Qianhai Mother Fund Equity Investment (Shenzhen) Co., Ltd. (seal)

/s/ Qianhai Mother Fund Equity Investment (Shenzhen) Co., Ltd.

Exhibit 10.10

Supplement to the Re-organization Framework Agreement

This Supplement to the Re-organization Framework Agreement (hereinafter referred to as the **"Supplementary Agreement"**) is signed on May 31, 2018 in Tianjin by and among:

Party A: Qianhai Equity Investment Fund (Limited Partnership)
Registered address: ***
Managing partner: ***

Party B: I-Mab Bio-tech (Tianjin) Co., Ltd.
Registered address: ***
Legal representative: ***

Party C: Qianhai Ark (Cayman) Investment Co. Limited
Registered address: ***
Authorized signatory: ***

Party D: I-MAB
Registered address: ***
Authorized signatory: ***

Party E: I-MAB BIOPHARMA HONGKONG LIMITED
Registered address: ***
Authorized signatory: ***

Party F: Qianhai Mother Fund Equity Investment (Shenzhen) Co., Ltd.
Registered address: ***
Authorized signatory: ***

WHEREAS,

1. On April 18, 2018, the Parties executed the Re-organization Framework Agreement (hereinafter referred to as the "**Original Restructuring Framework Agreement**"), and agreed on relevant matters and procedures concerning the Restructuring and listing of Party D;

2. The Parties intend to make further supplementary agreements on relevant matters under the Original Restructuring Framework Agreement on the basis of the current implementation of the restructuring of Party D.

In order to facilitate implementation of this Restructuring step, the parties hereby enter into this Supplementary Agreement and agree to be bound hereby:

Article 1 Supplementary agreements to the overall arrangement of the Restructuring plan

The Parties agree to make further detailed and supplementary provisions to the "Overall arrangement of this Restructuring plan" under Article 1 of the original Framework Agreement as follows:

1. **Equity Rollover:** Party C agrees to subscribe for 1,455,549 shares of Series B preferred shares additionally issued by Party D at a total purchase price of US$2,035,667.

2. **Convertible Bonds:** Party C agrees to subscribe for convertible bonds in principal of US$1,250,000 issued by Party D under the conditions and terms similar to those in connection with the closed Series B financing, and the amount borrowed under the convertible bonds can be converted to 232,161 shares of Series B-1 preferred shares newly issued by Party D.

3. **Stock Warrants:** Party A agrees to transfer all of the warrants under the Warrant Agreement to Party C, and Party C will exercise 40% of such warrants to subscribe for 206,366 Series B-2 preferred shares newly issued by Party D at a subscription price of US$1,250,000. The conditions for the exercise of the remaining 60% of such warrants under the Warrant Agreement shall be agreed by Party C and Party D separately.

Article 2 Supplementary agreements to the implementation steps of the Restructuring plan

The Parties agree to make further detailed and supplementary provisions to Article 2 "Implementation steps of this Restructuring plan" under the original Framework Agreement as follows:

1. **Step 1**:

   (1) Party C shall sign a Preferred Shares Subscription Agreement with Party D in the form and substance similar to those in Annex I attached hereto by May 31, 2018, whereby Party C shall make capital contribution in the amount of US$2,035,667 to subscribe for 1,455,549 shares of Series B preferred shares additionally issued by Party D; On the same day, Party C shall issue a warrant exercise notice to Party D (the "Notice of Warrant Exercise", the form and substance of which are similar to those in Annex II attached hereto) to subscribe for 206,366 shares of Series B-2 preferred shares additionally issued by Party D at an exercise price of US$1,250,000; on the same day, Party C and Party D shall sign a Note Purchase Agreement and a Convertible Promissory Note in the form and substance similar to those in Annex III attached hereto, whereby Party C shall subscribe for convertible bonds issued by Party D equal to US$1,250,000.

(2) Party C shall pay to Party E the above-mentioned warrant price, share subscription price and convertible bond subscription price within five business days after the signing of the aforementioned agreements, at a total price of US$4,535,667;

(3) Party C shall issue a notice of exercise of convertible bonds to Party D within two business days after the payment of the subscription price for convertible bonds, whereby Party C shall convert the creditor's rights under convertible bonds into the right to subscribe for new shares of Party D, which means that Party C shall subscribe for 232,161 shares of Series B-1 preferred shares issued by Party D by exercising the equity conversion right under convertible bonds.

2. **Step 2**: Party D shall issue a total of 1,894,076 additional shares to Party C within [2] business days after receipt of the notice of exercise of convertible bonds (consisting of 1,455,549 shares of Series B preferred shares, 206,366 shares of Series B-2 preferred shares and 232,161 shares of Series B-1 preferred shares)

3. **Step 3**: Within five (5) business days after receiving the share subscription price under Step 1, Party D shall provide to Party E the share subscription price and convertible bond principal received under Step 1 in the form of capital increase or shareholder borrowing.

4. **Step 4**: Party E shall, within ten (10) business days after receiving the price for share subscription under Step 3, pay Party A the transfer of shares under the Share Transfer Agreement in accordance with the terms and conditions provided under the Share Transfer Agreement signed separately between Party A and Party E, and cause Party B to repay the principal of the loan under the Supplementary Agreement on Loan Agreement signed by Party A and Party B separately.

Article 3 Others

1. Unless otherwise provided in the context of this Supplementary Agreement, the terms and expressions used under this Supplementary Agreement shall have the meanings set forth in the original Restructuring Framework Agreement.

2. This Supplementary Agreement is an integral part of the original Restructuring Framework Agreement signed by the Parties; if there is any inconsistency between the original Restructuring Framework Agreement and this Supplementary Agreement, this Supplementary Agreement shall prevail; the matters not agreed upon under this Supplementary Agreement shall be subject to the provisions of the original Restructuring Framework Agreement.

3. This Supplementary Agreement shall come into force on the date of signature by the Parties and shall be legally binding on the Parties (this Supplementary Agreement may be scanned by one Party into a PDF document after signature and shall be continued to be signed by the other Parties on the printed document of this PDF document and scanned into a PDF document for distribution to the other Parties. The signature of the PDF document has legal effect.

(The remainder of this page is intentionally left blank)

(No text, signature page of the Supplement to the Re-organization Framework Agreement)

Party A: Qianhai Equity Investment Fund (Limited Partnership) (seal)
Managing partner: Qianhai Ark Asset Management Co., Ltd. (seal)

/s/ Qianhai Equity Investment Fund (Limited Partnership)

Party B: I-Mab Bio-tech (Tianjin) Co., Ltd. (seal)

/s/ I-Mab Bio-tech (Tianjin) Co., Ltd.

Party C: Qianhai Ark (Cayman) Investment Co. Limited

/s/ Qianhai Ark (Cayman) Investment Co. Limited

Party D: I-MAB

/s/ I-MAB

Party E: I-MAB BIOPHARMA HONGKONG LIMITED

/s/ I-MAB BIOPHARMA HONGKONG LIMITED

Party F: Qianhai Mother Fund Equity Investment (Shenzhen) Co., Ltd. (seal)

/s/ Qianhai Mother Fund Equity Investment (Shenzhen) Co., Ltd.

Re-organization Framework Agreement

This Agreement is signed on April 4, 2018 in Tianjin by and among:

Party A: Shanghai Tasly Pharmaceutical Co., Ltd.
Registered address: ***
Legal representative: ***

Party B: I-Mab Bio-tech (Tianjin) Co., Ltd.
Registered address: ***
Legal representative: ***

Party C: CBC Investment I-Mab Limited
Registered address: ***
Authorized signatory: ***

Party D: I-Mab Biopharm Limited
Registered address: ***
Authorized signatory: ***

Party E: Tasly Biopharm Limited
Registered address: ***
Authorized signatory: ***

WHEREAS,

1. Party B is a sino-foreign joint venture incorporated and existing under the laws of the People's Republic of China, and its registered capital is US$80,062,985. At present, Party A holds 22.329% of Party B's equity interest (corresponding to its subscribed Party B's registered capital of US$17,877,319);

2. For the purpose of initial public offering and listing (hereinafter referred to as "Listing") of the shares of Party D's parent company I-Mab (a limited liability company incorporated under the laws of the Cayman Islands, hereinafter referred to as "I-Mab" or "Listing Entity") on [***], Party B's existing shareholding structure requires a series of restructuring adjustments (hereinafter referred to as the "this Restructuring") to make it comply with the listing requirements of [***]. WHEREOF, Party A intends to convert its directly held shares of Party B through a series of restructuring for Party B's options (warrants) and convertible bonds to indirectly hold shares of the listing entity through Party E;

3. Under the AMENDED AND RESTATED OPTION AGREEMENT entered into by and among Party A, Party B, I-Mab and Party D in 2017, I-Mab granted Party A or its affiliates the right to subscribe for the relevant shares issued by I-Mab at the agreed subscription price. Party A shall pay the above-mentioned subscription price by transferring the shares of Party B held by Party A to Party D.

4. In order to facilitate the implementation of this restructuring step and realize the above-mentioned restructuring objectives, the parties hereby enter into this Agreement and agree to be bound hereby.

Article 1 This Restructuring Plan and the Key Procedures

1. Step one: Party A shall go through the formalities for the reviewing and approval of ODI. Party A agrees that it shall immediately initiate all outbound direct investment approval application procedures (hereinafter referred to as "ODI Approval Procedures") for its capital increase to Party E within five (5) days from the date of signing this Agreement, and shall complete all the ODI Approval Procedures within one month after applying for the ODI approval or before April 15th (whichever is earlier, in order to ensure the completion of the restructuring step by April 30; to ensure that the restructuring step is completed by April 30, the approval formalities of ODI must be completed by April 15 so as to provide a window of 15 days for industrial and commercial change registration and for filing of records to Commission of Commerce. Such ODI Approval Procedures include but are not limited to: (1) Party A to submit a filing application for outbound investment to the Outbound Investment Office of the Shanghai Municipal Development and Reform Commission (hereinafter referred to as "Shanghai Municipal Development and Reform Commission"), and to obtain a filing notice of outbound investment issued by the Shanghai Municipal Development and Reform Commission; (2) Party A to submit the application for capital increase to Party E to the Shanghai Municipal Commission of Commerce (hereinafter referred to as "Shanghai Commercial Committee") and to obtain the approval certificate for outbound investment issued by the Shanghai Commercial Committee; and (3) after obtaining the notification of outbound investment filing approved and issued by Shanghai Development and Reform Commission and the Certificate of Approval for Outbound Investment of Enterprises approved and issued by Shanghai Commercial Commission, Party A shall apply to Shanghai Foreign Exchange Administration for relevant registration of the procedures for the exchange and outbound payment of capital increase. (Note: Party B and Party D have provided Party A on March 14, 2018 with the materials required by Party A to go through the procedures of ODI. Party A has obtained the registration notice of the Shanghai Municipal Development and Reform Commission and obtained the approval certificate of the Shanghai Commercial Committee, and is in the process of registering with the foreign exchange administration). Party A shall, at the same time of restructuring and share conversion, deal with the convertible shares of Party B's convertible bonds and options (warrants) pursuant to the provisions under Step 3 below.

2. Step 2: Party D and Party A shall sign an agreement on the transfer of shares. After the execution of this Agreement by the Parties, Party B has selected the appraisal institution to use the asset-based method to evaluate the overall value of Party B, and will issue an appraisal report no later than April 3, 2018, which will be used as the pricing basis for Party A to transfer its holdings of Party B's equity to Party D. Party A and Party D shall sign an equity transfer agreement within 10 business days after the signing of this Agreement (the equity transfer agreement is prepared by Party B), and agree that Party A shall transfer all the 22.329% of Party B's equity currently held by Party A to Party D in accordance with the transfer price (hereinafter referred to as "I-MAB Equity Transfer Price") determined by the above-mentioned assessment method, and the price of I-MAB Equity Transfer Price shall be US$20 million (the total amount of equity contribution from Party A to Party B is US$35.4 million). The parties agree and confirm that in such equity transfer agreements, it shall be provided as one of the conditions precedent for payment of the price of the equity transfer of I-MAB by Party D that Party A shall obtain a notice of registration issued by the Shanghai Municipal Development and Reform Commission for its capital increase to Party E and a certificate of approval for the outbound investment issued by the Shanghai Municipal Commission of Commerce. Upon the satisfaction of all conditions precedent for payment of equity transfer price (subject to applicable provisions under the equity transfer agreement), the Parties agree to make every effort to take all feasible actions to complete the equity transfer and cause Party B to go through the industrial and commercial registration formalities as soon as possible for such equity transfer. Party D shall pay Party A the price for the transfer of I-MAB Equity within five (5) business days after the completion of the above-mentioned industrial and commercial change registration.

   Under this step, Party A shall calculate and pay enterprise income tax for the income from direct equity transfer. The income from equity transfer shall be calculated based on the balance of the price of equity transfer of I-MAB less the amount of equity contribution from Party A to Party B. The income shall be incorporated into the taxable income of Party A of the current year and the enterprise income tax shall be paid based on the applicable tax rate. Since the transaction price of US$20 million is less than the amount of equity contribution of Party A to Party B, the transfer of equity will not generate taxable income and Party A does not need to pay enterprise income tax; accordingly, the transfer of equity of Party A will generate an investment loss, which can be deducted before the enterprise income tax is paid after special declaration is made to competent tax authorities and approval is obtained. In addition, Party A and Party D are required to pay the Chinese stamp duty respectively, and the amount is the consideration of the equity transfer of I-MAB x0.05%. [Considering the purpose of this transaction is to assist Party A to make outbound restructuring of its domestic rights and interests without going through complex procedures regarding opening NRA accounts by foreign companies within the PRC, the Parties agree that the Chinese stamp duty involved in this step of transaction shall be borne by Party A.]

3. Step 3: Party A shall make capital contribution to Party B in the amount of US$20 million from the price of transfer of I-MAB's equity (the way to exercise the rights and interests relating to convertible bonds of US$5.1 million and warrants of US $12.75 million and whether it shall be funded by capital increase shall be determined by Party A. If Party A decides to exercise the rights and interests of convertible bonds and/or warrants, Party A will remit the capital increase in the amount equal to the convertible bonds and/or warrants to Party D's account in accordance with the provisions of Step 4 below no later than 40 days before the listing entity decides to submit the listing Form to [***], so that Party D may have time to fulfil the conversion contemplated under Step 5. Otherwise, Party A will waive the rights and interests of exercising convertible bonds and/or warrants (the listing entity initially decides to submit the listing form on June 30, 2018). Party A guarantees to all Parties that such capital increase be in compliance with all applicable laws (Party A shall prepare the legal documents for Party A's capital increase to Party E on its own). Party A undertakes to remit US$20 million of capital increase to Party E within five (5) business days after receiving the price of I-MAB Equity Transfer paid by Party D in accordance with Step 2 mentioned above, in order to fulfill the capital increase to Party E.

4. Step 4: considering that upon the completion of all the restructuring steps in accordance with this Agreement, Party E will hold shares of the listing entity the amount of which is in fact equivalent to the equity of Party B originally held by Party A, and will be entitled to exercise the conversion and other rights in the convertible bonds and warrants of Party B, Party E will acquire the effective interest of the assets of target as a whole. Party B and Party A agree to cancel the conversion right of Party A's domestic convertible bonds (provided that Party B shall still repay the principal of the loan under the convertible bonds to Party A without paying interest), and cancel the warrants that Party A may exercise on Party B. At the same time, Party D will issue additional shares, which shall be subscribed for by Party E from the US$20 million received from equity transfer of I-MAB and part of the capital increase of Party A by exercising its rights in convertible bonds and options (warrants) (if Party A exercises this right). The additional shares issued by Party D to Party E shall be determined based on the number of equity rollover provided under the legal documents of series B financing of the listing entity. The Parties agree and confirm that, Party E will sign a share subscription agreement (the subscription agreement is prepared by Party D) with Party D at the time of the signing of the equity transfer agreement between Party D and Party A as in Step 2, which means Party E shall subscribe for the additionally issued shares of Party D with the additional capital contribution received from Party A under Step 3 mentioned above to ensure that (i) the equity transfer price of I-MAB paid by Party D to Party A and the principal amount of Party A to Party B's convertible bonds shall be returned to Party D, and (ii) Party A shall pay to Party D the amount required to exercise all of its warrants by Party A; Party A further guarantees to procure Party E to perform such capital contribution obligation by transfer to an account designated by Party D an amount equal to the capital contribution amount from Party A within two (2) business days upon its receipt of such capital contribution amount.

5. Step 5: The listing entity shall exchanges shares with Party E by issuing additional shares to Party E. The Parties agree and confirm that while Party D and Party A sign the equity transfer agreement in Step 2 and Party E and Party D sign the share subscription agreement in Step 4, Party E will sign the transaction agreement related to share subscription and exchange with the listing entity (the transaction agreement is prepared by Party D), which means the listing entity will issue additional shares to Party E, and Party E will apply the shares of Party D held by Party E as the price to acquire the additional shares issued by the listing entity by way of stock exchange (the number of shares corresponding to equity transfer is 14,300,463 shares, the number of shares corresponding to convertible bonds is 947,218 shares, and the number of shares corresponding to warrants is 2,104,928 shares). The Parties shall take all necessary actions and sign the necessary documents to facilitate completion of all relevant procedures for the changes in such stock exchange transactions within five (5) business days after the signing of the stock exchange agreement.

Considering the share exchanges under this step constitute an indirect transfer of the equity of Chinese resident enterprise, in accordance with the provisions of Announcement No. 7 of the State Administration of Taxation [2015], in order to reduce the potential tax risk, the parties to such exchange may consider disclosing information to the competent tax authorities of Party B within 30 days from the date of signing the share exchange agreement, and fully prove in the disclosure materials that the transaction has reasonable commercial purposes, such as: 1) this share exchange transaction is not for tax avoidance purposes, but a necessary restructuring step in the company's listing process and is based on reasonable commercial reasons; 2) the transaction price of this share exchange is consistent with Party E's capital increase to Party D, and there will be no premium. Therefore, the tax liability generated by the transaction under this step shall be minimal or even zero. At the same time, the transfer agreement of I-Mab Biopharm Limited is subject to 0.2% Hong Kong stamp tax, which will be calculated based on the higher of the transaction price or the fair market value of corresponding equity of I-Mab Biopharm Limited (in practice, the net assets of non-listed enterprises is generally applied). The taxes involved in this step (including but not limited to Hong Kong stamp duty) shall be borne by the Party E.

Article 2 Duties and obligations of the restructuring parties

1. The Parties acknowledge and agree that they shall ensure or cause their appointed directors to sign and complete all contracts, agreements, board resolutions, shareholders' meeting resolutions/shareholder decisions, commitments or other documents related to this Restructuring, take and/or urge their appointed directors or authorized representatives to take all actions required to complete this Restructuring, including but not limited to submitting applications to government agencies, submitting reasonably required or appropriate documents for approvals and registration in relation to this Restructuring, and obtain all government agency approvals and internal authorizations required to complete the Restructuring in accordance with the laws, in order to facilitate the various restructuring steps proposed in this Agreement to take effect or have legal effect.

2. The Parties further agree and confirm that Party A shall initiate the procedures for the approval of ODI as a condition precedent to effect any other step to be taken by the parties concerned in this Restructuring. All Parties shall fully cooperate with Party A in handling the ODI approval procedures and providing them with the relevant documents required for the handling of the ODI approval procedures (for the avoidance of doubt, excluding the materials to be prepared and provided by Party A on its own in accordance with applicable Chinese laws and regulations). If Party A fails to complete all the ODI approval procedures within one month after provision of the materials required for the ODI approval by Party B and Party D or before April 15th (whichever is earlier; in order to ensure the completion of the restructuring step by April 30, the approval formalities of ODI must be completed by April 15, so as to provide a window of 15 days for industrial and commercial change registration and for filing of records to the commercial authority), the restructuring plan and its steps agreed in Article 1 of this Agreement shall be terminated automatically, the Parties shall, in accordance with the alternative plans listed in Annex I to this Agreement (hereinafter referred to as "Restructuring Alternatives"), and in line with the principles of legality, compliance and maximum protection of the existing legitimate rights and interests of the Parties, achieve the purpose of restructuring in accordance with the alternatives.

Article 3 Confidentiality

The Parties warrant to keep in confidence the documents and materials obtained by it in the course of discussion, signing and execution of this Agreement (including, but not limited to, business secrets, company plans, operational activities, financial information, technical information, operational information and other business secrets) which belong to the other Party and cannot be obtained through public channels. Without consent of the original supplier of the information, the other Parties shall not disclose or transfer all or part of the business secret to any third party, unless it is disclosed to any third party by the parties and/or the relevant cooperating entity of the parties for the purpose of completing the restructuring and fundraising, and otherwise required by laws and regulations or agreed in writing by the parties. The term of confidentiality shall be from the date on which any Party is notified of such confidential information until the second (2) anniversary of the date of signing this Agreement.

Article 4 Applicable Law and Dispute Resolution

The laws of the People's Republic of China shall apply to the conclusion, validity and performance of this Agreement and resolution of disputes therein, and shall be interpreted in accordance with their interpretation. All disputes arising from this Agreement shall be resolved through friendly negotiation. In case no resolution can be reached through negotiation, the Parties agree to submit the case to the China International Economic and Trade Arbitration Commission for arbitration. The decision of arbitration shall be binding upon all Parties. The arbitration shall be conducted in [Beijing], and the language used in the arbitration shall be Chinese.

Article 5 Effectiveness

This Agreement shall come into force on the date of signature by the parties and shall be legally binding on the parties (this Agreement may be scanned by one Party into a PDF document after signature and shall be continued to be signed by the other Parties on the printed document of this PDF document and scanned into a PDF document for distribution to the other Parties. The signature of the PDF document has legal effect. The specific operation of the subsequent steps shall be made in accordance with the provisions under the relevant agreements to be signed thereof.

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(No text below, signature page of the Re-organization Framework Agreement signed by the parties on April 4, 2018)

Party A: Shanghai Tasly Pharmaceutical Co., Ltd. (seal)

/s/ Shanghai Tasly Pharmaceutical Co., Ltd.

Party B: I-Mab Bio-tech (Tianjin) Co., Ltd. (seal)

/s/ I-Mab Bio-tech (Tianjin) Co., Ltd.

Party C: CBC Investment I-Mab Limited

/s/ CBC Investment I-Mab Limited

Party D: I-Mab Biopharm Limited

/s/ I-Mab Biopharm Limited

Party E: Tasly Biopharm Limited

/s/ Tasly Biopharm Limited

Supplement to the Re-organization Framework Agreement

This Supplement to the Re-organization Framework Agreement (hereinafter referred to as this **"Supplementary Agreement"**) is signed on May 31, 2018 in Tianjin by and among:

Party A: Shanghai Tasly Pharmaceutical Co., Ltd.
Registered address: ***
Legal representative: ***

Party B: I-Mab Bio-tech (Tianjin) Co., Ltd.
Registered address: ***
Legal representative: ***

Party C: CBC Investment I-Mab Limited
Registered address: ***
Authorized signatory: ***

Party D: I-MAB BIOPHARMA HONGKONG LIMITED
Registered address: ***
Authorized signatory: ***

Party E: Tasly Biopharm Limited
Registered address: ***
Authorized signatory: ***

WHEREAS,

1. On April 4, 2018, the Parties signed the Re-organization Framework Agreement (hereinafter referred to as the "**Original Restructuring Framework Agreement**"), and agreed on matters relating to the restructuring and listing of I-Mab;

2. The Parties intend to make further supplementary agreements on relevant matters under the Original Restructuring Framework Agreement based on the current implementation of the restructuring of I-Mab.

In order to facilitate the implementation of this Restructuring, the parties hereby enter into this Supplementary Agreement and agree to be bound hereby:

Article 1 Supplementary agreements to this Restructuring plan

1. The Parties agree that Party A has transferred 40% of its total share options provided under the Warrant to Purchase Series B Preferred Shares of I-Mab to Rainbow Horizon Limited ("Rainbow"), and agree to cause Rainbow to exercise such part of the warrant and pay the corresponding subscription price by May 31, 2018 based on the terms and conditions similar to those provided under Warrant to Purchase Series B Preferred Shares of I-Mab. The conditions for the exercise of the remaining 60% share options under Warrant to Purchase Series B Preferred Shares of I-Mab shall be stipulated separately by Party A and Party B.

2. Party E shall sign a Shares Subscription Agreement with Party D in the form and substance similar to those in Annex I attached hereto by May 31, 2018, whereby Party B shall make capital contribution of US$25,100,000 to subscribe for 23 shares additionally issued by Party D (Party D currently has 81 issued and outstanding shares and, after issuing 23 shares to the Party E, Party D will have 104 issued and outstanding shares). Party E shall pay Party D the share subscription price of US$25,100,000 within 5 business days after the execution of Shares Subscription Agreement and receipt of Party A of the share transfer price from Party D under the Share Transfer Agreement signed separately with Party D.

3. Party D shall cause its parent company, I-Mab, to sign a Preferred Shares Subscription Agreement in the form and substance of Annex II attached hereto with Party E on the same day of the execution of Shares Subscription Agreement under Section 1.2. Party E shall subscribe for 15,247,681 shares issued by I-Mab (consisting of 8,361,823 shares of series A-3 preferred shares, 5,938,640 shares of series B preferred shares, and 947,218 shares of series B-1 preferred shares) in exchange for the 23 shares of Party D, and cause I-Mab to complete relevant modification procedures within 5 business days after the execution of the aforementioned agreement. After which, Party E shall no longer directly hold any shares of Party D, and shall hold 15,247,681 shares of I-Mab.

4. Party D will pay Party A equity interest transfer price of US$20,000,000 in accordance with the terms and conditions provided under the Equity Transfer Agreement signed by Party A and Party D respectively. The Parties hereby confirm that Party B will pay Party A the principal of the loan under the Supplementary Agreement of Loan Agreement in accordance with the Supplementary Agreement of Loan Agreement. This clause shall serve as the condition precedent of Party E's payment pursuant to Article 2 above.

Article 2 Others

1. Unless otherwise provided in the context of this Supplementary Agreement, the terms and expressions used under this Supplementary Agreement shall have the meanings as set forth under the original Restructuring Framework Agreement.

2. This Supplementary Agreement is an integral part of the original Restructuring Framework Agreement signed by the Parties; if there is any inconsistency between the original Restructuring Framework Agreement and this Supplementary Agreement, this Supplementary Agreement shall prevail; the matters not agreed upon in this Supplementary Agreement shall be subject to the provisions of the original Restructuring Framework Agreement.

3. This Supplementary Agreement shall come into force on the date of the execution by the Parties and shall be legally binding on the Parties (this Supplementary Agreement may be scanned by one Party into a PDF document after signature and shall be continued to be signed by the other Parties on the printed document of this PDF document and scanned into a PDF document for distribution to the other Parties. The signature of the PDF document has legal effect).

(The remainder of this page is intentionally left blank)

Party A: Shanghai Tasly Pharmaceutical Co., Ltd. (seal)

/s/ Shanghai Tasly Pharmaceutical Co., Ltd.

Party B: I-Mab Bio-tech (Tianjin) Co., Ltd.

/s/ I-Mab Bio-tech (Tianjin) Co., Ltd.

Party C: CBC Investment I-Mab Limited

/s/ CBC Investment I-Mab Limited

Party D: I-MAB BIOPHARMA HONGKONG LIMITED

/s/ I-MAB BIOPHARMA HONGKONG LIMITED

Party E: Tasly Biopharm Limited

/s/ Tasly Biopharm Limited

Exhibit 10.13

Certain identified information has been excluded from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

LICENSE AND COLLABORATION AGREEMENT

This License and Collaboration Agreement ("**Agreement**") is made and entered into effective as of **November 30, 2017** (the "**Effective Date**"), by and between

MorphoSys AG, a German stock corporation having a place of business at Semmelweisstrasse 7, 82152 Planegg, Germany ("**MorphoSys**"),

I-Mab, a company organized and existing under the laws of Cayman Islands and having its principal place of business at P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands ("**I-Mab**").

MorphoSys and I-Mab each may be referred to herein individually as a "**Party**," or collectively as the "**Parties**."

RECITALS

A. MorphoSys has developed a proprietary human monoclonal antibody specifically binding to the target CD38. MorphoSys controls certain patents and other intellectual property pertaining to such antibody and methods and uses relating to such antibody, including its use for the treatment of Multiple Myeloma.

B. I-Mab is a biopharmaceutical company engaged in the research, development and commercialization of pharmaceutical products.

C. I-Mab desires to obtain from MorphoSys a license to develop and commercialize such CD38 antibody in the Field (as defined below) for the Territory (as defined below), and MorphoSys is willing to grant such a license to I-Mab, all in accordance with the terms and conditions set forth herein.

In consideration of the foregoing premises, the mutual promises and covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS

When used in this Agreement, capitalized terms shall have the meanings as defined below and throughout the Agreement. Unless the context indicates otherwise, the singular shall include the plural and the plural shall include the singular.

1.1 "**Accounting Principles**" means either U.S. generally accepted accounting principles, as consistently applied ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"), as designated and used by the applicable entity in preparing its financial statements from time to time.

1.2 "**Affiliate**" means, with respect to a Party, any corporation, firm, partnership or other entity, which directly or indirectly controls or is controlled by or is under common control with such Party. For purposes of this Section 1.2, "control" means (a) in the case of a corporation, ownership, directly or through one or more Affiliates, of more than fifty percent (50%) of the shares of stock entitled to vote for the election of directors, or (b) in the case of any other type of legal entity, status as a general partner in any partnership, or any other arrangement whereby a Party controls or has the right to control the board of directors or equivalent governing body, ownership, directly or through one or more Affiliates, of more than fifty percent (50%) of the equity interests of such party, an interest that results in the ability to direct or cause the direction of the management and policies of such party or the power to appoint more than 50% of the members of the governing body of the party. Notwithstanding the foregoing, C-Bridge Capital, or any of its portfolio companies, shall not be deemed Affiliates of I-Mab.

1.3 "**Alliance Manager**" means a senior representative of each Party acting as coordinator and alliance manager for the purposes of this Agreement.

1.4 "**Antibody**" means, [REDACTED]

1.5 "**Applicable Laws**" means all statutes, ordinances, regulations, rules or orders of any kind whatsoever of any Governmental Authority that may be in effect from time to time and applicable to the activities contemplated by this Agreement.

1.6 "**Arbitration Rules**" has the meaning set forth in Section 16.3(b)(ii).

1.7 "**Breaching Party**" has the meaning set forth in Section 15.2(a).

1.8 "**Business Day**" means any day other than **(i)** Saturday or Sunday or **(ii)** any other day on which banks in Munich, Germany, and/or in Peking, China, are permitted or required to be closed.

1.9 "**Calendar Quarter**" means the time periods between January 1 and March 31, April 1 and June 30, July 31 and September 30, and October 1 and December 31 of any Calendar Year, as applicable.

1.10 "**Calendar Year**" means the time period between January 1 and December 31.

1.11 "**CAT**" [REDACTED]

1.12 "**CAT Framework Agreement**" [REDACTED]

1.13 "**CD38 Compound**" means MorphoSys' anti-CD38 Antibody designated as [REDACTED] MOR202, as further described in **Exhibit 5** and any fragment (including antigen binding domain or sequence or portion), conjugate, variant, improvement, modification, progeny or derivative thereof (including CD38 Compound conjugated, bound, expressed as fusion or otherwise fused to a toxin, label, Antibody, cell or any other moiety or entity).

1.14 "**CD38 Non-Exclusive Patents"** has the meaning set forth in Section 2.1(b).

1.15 "**CD38 Patents**" means: **(i)** the Patents Controlled by MorphoSys or its Affiliates as of the Effective Date or thereafter during the Term, issued or filed before, on or after the Effective Date, that is necessary or reasonably useful for the Exploitation of any CD38 Compound or any CD38 Product in the Field in the Territory, including such Patents listed in **Exhibit 4**, and **(ii)** MorphoSys' and its Affiliates' interest in any Patents Covering MorphoSys Inventions or Joint Inventions in the Territory.

1.16 "**CD38 Product**" means any pharmaceutical (including diagnostic) product which constitutes, incorporates, comprises or contains a CD38 Compound, alone or in combination with one or more other active ingredients in any and all forms, presentations, in current and future formulations, dosage forms and strengths, and delivery modes.

1.17 "**CD38 Product Infringement**" has the meaning set forth in Section 10.4.

1.18 "**CDA**" has the meaning set forth in Section 14.1.

1.19 "**Celgene**" means [REDACTED]

1.20 "**Celgene Termination Agreement**" means [REDACTED]

1.21 "**CFDA**" means the China Food and Drug Administration.

1.22 "**COGS**" means [REDACTED].

1.23 "**Combination**" means the combination of a CD38 Product and another active pharmaceutical product as one therapeutic, prophylactic or palliative treatment.

1.24 "**Combination Product**" means any CD38 Product that contains one or more therapeutically active ingredients (whether co-formulated or co-packaged) in addition to a CD38 Compound. The Parties agree that any Antibody in which a CD38 Compound (or any fragment (including antigen binding domain or sequence or portion), variant, improvement, modification, progeny or derivative thereof) is incorporated shall not be regarded as Combination Product. By way of example bi-or multi-specific Antibody constructs or Antibody drug conjugates shall not be regarded as Combination Products.

1.25 "**Commercialization**" means to market, promote, advertise, sell, offer for sale, have sold or otherwise dispose of, transport, distribute, import or export, as well as all activities related to Market Access, branding, preparation of the launch and medical affairs of a product in a country or region after all Marketing Approvals have been obtained in such country or region. The terms "**Commercialize**" and "**Commercialized**" have a correlative meaning.

1.26 "**Commercially Reasonable Efforts**" means, [REDACTED]

1.27 "**Confidential Information**" has the meaning set forth in Section 14.1.

1.28 "**Controlled**" means, with respect to any Know-How, Patent or other intellectual property right, possession of the right (whether directly or indirectly, and whether by ownership, license or otherwise) to assign or license (or otherwise grant a right to) such Know-How, Patent or intellectual property right as provided for herein without violating the terms of any agreement or other arrangements with any Third Party.

1.29 "**Cover(ed)**" means, with respect to a particular item and a particular Patent, that such Patent claims directly or indirectly: (a) the composition of such item, any of its ingredients or formulations or any product containing or that is made using such item; (b) any method of making, using, or conducting research, development, manufacture, or Commercialization of any of the foregoing things referred to in (a); and/or (c) an item used or present in the manufacture of any of the foregoing things referred to in (a) (for example, with respect to a biologic, any vector, plasmid or cell line used to manufacture such product or item or any ingredient in either of them).

1.30 [REDACTED]

1.31 "**CTA**" means a Clinical Trial Application filed with the CFDA required for commencement of human clinical trials of a pharmaceutical product in the People's Republic of China or any comparable application in any other country in the Territory.

1.32 "**Dispute**" has the meaning set forth in Section 16.3(a).

1.33 "**Dyax**" means [REDACTED]

1.34 "**Dyax License Agreement**" means [REDACTED]

1.35 "**Exploit**" or "**Exploitation**" means to make, have made, research, develop, use, Commercialize, register, modify, enhance, improve, formulate, optimize, hold or keep (whether for disposal or otherwise).

1.36 "**Field**" means **(i)** all human therapeutic, prophylactic, or palliative application for any Indication and **(ii)** any human diagnostic or clinical monitoring application in conjunction with any therapeutic, prophylactic, or palliative CD38 Product for any Indication. [REDACTED]

1.37 "**First Commercial Sale**" means, [REDACTED]

1.38 "**Governmental Authority**" means any court, commission, authority, department, ministry, official or other instrumentality of, or being vested with public authority under any law of, any country, region, state or local authority or any political subdivision thereof, or any association of countries.

1.39 "**I-Mab CD38 Know-How**" has the meaning set forth in Section 15.4(b)(ix).

1.40 **"I-Mab CD38 Patents**" has the meaning set forth in Section 15.4(b)(x)

1.41 "**I-Mab Development Plan**" means the plan setting forth the activities to be performed under the I-Mab Development Program as well as planned timelines relating thereto.

1.42 "**I-Mab Development Program**" has the meaning set forth in Section 4.2.

1.43 "**I-Mab Improvement Technology**" means any Patent, Know-how or other intellectual property right Controlled by I-Mab or any of its Affiliates (including I-Mab's and its Affiliates' interest in any Patents Covering I-Mab Inventions or Joint Inventions) that is necessary for the Exploitation of any CD38 Compound or any CD38 Product.

1.44 "**I-Mab Invention**" means an Invention that is conceived, developed or reduced to practice solely by employees of any I-Mab Party or by employees of a Third Party under an obligation of assignment to any I-Mab Party.

1.45 "**I-Mab Party**" means any of I-Mab, its Affiliates, any Sublicensees.

1.46 "**Indemnification Claim Notice**" has the meaning set forth in Section 12.3(a).

1.47 "**Indemnified Party**" has the meaning set forth in Section 12.3(a).

1.48 "**Indemnifying Party**" has the meaning set forth in Section 12.3(a).

1.49 "**Indemnitee**" has the meaning set forth in Section 12.3(a).

1.50 "**Indication**" means a distinct disease, disorder or medical condition; in each case regardless of the severity, frequency or route of any treatment. Except for multiple myeloma, one Indication shall be distinguished from another Indication by reference to the World Health Organisation (WHO) International Classification of Diseases, Version 10 (ICD-10, as revised and updated from time to time). Multiple myeloma and associated plasma cell disorders (e.g. monoclonal gammopathy of undetermined significance (MGUS) and smoldering myeloma) shall be separate Indications and be distinguished according to the International Myeloma Working Group definition laid out in Rajkumar et al., Lancet Oncol, 2014.

1.51 "**Intellectual Property Forum**" has the meaning set forth in Section 10.1.

1.52 "**Invention**" means any discovery, invention, idea, process, method, composition, concept, design, improvement or modification, whether patentable or not, conceived, developed or reduced to practice solely pursuant to or in connection with the Exploitation of a CD38 Compound and/or a CD38 Product under this Agreement during the Term.

1.53 "**JDC**" has the meaning set forth in Section 9.2.

1.54 "**Joint Invention**" means an Invention that is conceived, developed or reduced to practice jointly by employees of, or persons under an obligation of assignment to, MorphoSys and I-Mab.

1.55 "**Know-How**" means any non-public, documented or otherwise recorded or memorialized technology, data, information, unpatented inventions, discoveries, trade secrets, processes, methods, techniques, compositions, materials, formulas, formulations, improvements, know-how, knowledge, experience, ideas, and developments, test procedures, and results (including regulatory data, files, approvals and other documentation), whether patentable or not, together with all documents and files embodying the foregoing.

1.56 "**Licensed Technology**" means collectively the CD38 Patents and the MorphoSys Know-How.

1.57 "**Losses**" has the meaning set forth in Section 12.1.

1.58 "**Market Access**" means all the measures reasonably necessary in the process to secure optimal pricing and reimbursement for a CD38 Product.

1.59 "**Marketing Approval**" means any approval of any federal, state or local regulatory agency, department, bureau or other government entity or authority of any country or jurisdiction that is necessary to be obtained prior to the commercial sale of a CD38 Product in that country or jurisdiction.

1.60 "**Material Breach**" has the meaning set forth in Section 15.2(a).

1.61 "**MorphoSys Invention**" means an Invention conceived, developed or reduced to practice solely by employees of MorphoSys or its Affiliates or of a Third Party under an obligation of assignment to MorphoSys or its Affiliates.

1.62 "**MorphoSys Know-How**" means (a) Know-How (including CD38 Compound and/or CD38 Product materials) that **(i)** is Controlled by MorphoSys and/or its Affiliates as of the Effective Date or thereafter during the Term and **(ii)** is necessary or reasonably useful for the Exploitation of CD38 Compound and/or CD38 Products in the Field in the Territory and (b) MorphoSys' and its Affiliates' interest in MorphoSys Inventions and Joint Inventions in the Territory. For the avoidance of doubt, MorphoSys Know-How shall expressly exclude any Know-How to the extent directly relating to MorphoSys' HuCAL libraries, Ylanthia antibody libraries, Slonomics protein engineering technology, Lanthipeptides technology or any future new platform technology, provided that MorphoSys hereby acknowledges and agrees that I-Mab shall have the right to make, use and/or sell the CD38 Compounds and CD38 Products under the license granted to it under this Agreement even though such compounds and/or products may have been discovered or developed using, or otherwise incorporate, some or all of the aforementioned platform technologies.

1.63 "**Net Sales**" means [REDACTED]

(a) [REDACTED];

(b) [REDACTED];

(c) [REDACTED]

(d) [REDACTED].

[REDACTED].

[REDACTED].

[REDACTED].

[REDACTED]

1.64 "**Non-Breaching Party**" has the meaning set forth in Section 15.2(a).

1.65 "**Patents**" means all national, regional and international patent applications and issued patents in any country or supranational jurisdiction (including all continuations, CIPs, continued prosecution and divisions thereof, provisionals thereof, additions, reissues, renewals, extensions, substitutions, reexaminations, restorations, registrations, revalidations, supplementary protection certificates, pediatric exclusivity periods and the like, of any such patents and patent applications, and foreign equivalents thereof).

1.66 "**Patent Challenge**" has the meaning set forth in Section 10.9(a).

1.67 [REDACTED]

1.68 [REDACTED] [REDACTED]

1.69 [REDACTED]

1.70 [REDACTED]

1.71 [REDACTED]

1.72 "**Pivotal Trial**" shall mean any human clinical trial(s), or part of such trial(s), of a CD38 Product that is designed to demonstrate, along with previously conducted studies, substantial evidence of its effectiveness and provide sufficient information to determine whether it is safe, pure and potent for use under conditions prescribed, recommended or suggested in a proposed labeling to obtain Marketing Approval of such CD38 Product in the Field in a country in the Territory.

1.73 "**Public Disclosure**" has the meaning set forth in Section 14.6(a).

1.74 "**Regulatory Submissions**" means any filing, application, or submission with any regulatory authority, including authorizations, approvals or clearances arising from the foregoing, including Marketing Approvals, and all correspondence or communication with or from the relevant regulatory authority, as well as minutes of any material meetings, telephone conferences or discussions with the relevant regulatory authority, in each case, with respect to a CD38 Product.

1.75 "**Royalty Term**" has the meaning set forth in Section 8.3(b).

1.76 "**Sublicense Agreement**" means any agreement under which I-Mab grants a sublicense, option or similar right under its rights received under Section 2.1 to an Affiliate or a Third Party as permitted under this Agreement, but excluding any Affiliate or Third Party acting solely as a contract manufacturer, contract research organization, distributor or wholesaler.

1.77 "**Sublicensee**" means any Affiliate or Third Party which has entered into a Sublicense Agreement.

1.78 "**Target**" means CD38, cluster of differentiation 38, also known as cyclic ADP-ribose hydrolase.

1.79 "**Term**" has the meaning set forth in Section 15.1.

1.80 "**Territory**" means the territory of the People's Republic of China (including Macao and Hong Kong) and Taiwan.

1.81 "**Third Party**" means any party other than the Parties and their respective Affiliates.

1.82 "**Third Party Claims**" has the meaning set forth in Section 12.1.

1.83 "**Third Party Patents**" means **(i)** Patents covered under the CAT Framework Agreement, the XOMA License Agreement, the Dyax License Agreement and the [REDACTED] Agreement, as well as **(ii)** all Patents owned by any Third Party necessary for the Exploitation of any CD38 Compound or any CD38 Product that may be licensed by either Party during the Term.

1.84 "**Third Party Payments**" means [REDACTED]

1.85 "**Valid Claim**" means, with respect to a particular country and a CD38 Product, a claim of any issued and unexpired Patent, or a pending claim of a good faith patent application, under any CD38 Patent (for the avoidance of doubt, including without limitation, any claim of an issued Patent or pending claim of a good faith patent application claiming any MorphoSys Invention or Joint Invention) which (a) Covers such CD38 Product in the Field in such country and (b), whose validity, enforceability, or patentability has not been affected by any of the following: **(i)** irretrievable lapse, abandonment, cancellation, withdrawal, revocation, dedication to the public, or disclaimer; or **(ii)** a holding, finding, or decision of invalidity, unenforceability, or non-patentability by a court, governmental agency, national or regional patent office, or other appropriate body that has competent jurisdiction, such holding, finding, or decision being final and unappealable or unappealed within the time allowed for appeal; provided, however, that a pending claim of a patent application shall cease to be a Valid Claim if such pending claim does not issue within five (5) years after the filing date of the patent application from which it arose. For clarity, a claim which issues after being pending for more than five (5) years after the filing date of the patent application as described above shall again be considered a Valid Claim going forward as of the date of issuance.

1.86 **"VAT"** means, in the European Union, value-added tax calculated in accordance with Council Directive 2006/112/EC as implemented into national law and, in a jurisdiction outside the European Union, any equivalent tax.

1.87 "**XOMA**" means [REDACTED]

1.88 "**XOMA License Agreement**" means [REDACTED].

2. LICENSES AND SUBLICENSES

2.1 MorphoSys License Grant.

(a) Subject to the terms and conditions of this Agreement, MorphoSys hereby grants to I-Mab an exclusive (subject to (b) below), royalty-bearing license, with the right to grant sublicenses as provided in Section 2.6, under the Licensed Technology to Exploit any CD38 Compound and any CD38 Products in the Field in the Territory.

(b) With respect to the CD38 Patents [REDACTED] ("**CD38 Non-Exclusive Patents**"), the license granted under (a) above shall be granted on a non-exclusive basis only.

(c) Notwithstanding Section 9.4, to the extent I-Mab is required to conduct any clinical trials outside of the Territory to support the preparation or maintenance of any Marketing Approval for any CD38 Product in the Field within the Territory, I-Mab shall inform MorphoSys accordingly through the JDC, and the Parties shall agree in good faith on the country(ies) outside of the Territory in which such clinical trials can be performed by I-Mab. For the avoidance of doubt, all costs of such clinical trials conducted by I-Mab and permitted by MorphoSys outside of the Territory shall be borne by I-Mab unless otherwise agreed between the Parties pursuant to Section 9.4.

(d) MorphoSys retains the right to use the Licensed Technology in the Territory as may be required or reasonably useful to **(i)** implement its rights and perform its obligations under this Agreement or **(ii)** support the Exploitation of CD38 Compounds and CD38 Products outside the Field and/or outside the Territory, including without limitation the right to manufacture, or have manufactured, any CD38 Compound and/or any CD38 Product within the Territory for Commercialization outside the Field and/or outside the Territory; provided, that MorphoSys shall not, and shall obligate its Affiliates, licensees and sublicensees to not, sell or offer for sale in the Territory in the Field any CD38 Compound or CD38 Product manufactured under these retained rights.

2.2 I-Mab License Grant. Subject to the terms and conditions of this Agreement, I-Mab hereby grants to MorphoSys:

(a) an exclusive, royalty-free license, with the right to grant sublicenses through multiple tiers, under I-Mab's and its Affiliates' interest in I-Mab Inventions and Joint Inventions solely to Exploit CD38 Compounds and CD38 Products in any field outside of the Territory,

(b) a non-exclusive, royalty-free license, with the right to grant sublicenses through multiple tiers, under I-Mab's and its Affiliates' interest in I-Mab Inventions and Joint Inventions to Exploit any product (that is not a product that is proprietary to I-Mab or its Affiliates or product sublicensees) that targets CD38 other than CD38 Products in any field outside the Territory, and

(c) a non-exclusive license, with the right to grant sublicenses through multiple tiers but subject to the Third Party Payment obligations as set forth below, under any I-Mab Improvement Technology that is necessary to Exploit CD38 Compounds and CD38 Products solely to Exploit CD38 Compounds and CD38 Products in any field outside of the Territory.

[REDACTED].

2.3 Covenant. I-Mab hereby covenants not to use I-Mab' and its Affiliates' interest in I-Mab Inventions and Joint Inventions to Exploit any product containing an Antibody that targets CD38 other than CD38 Products.

2.4 Reservation of Rights. Except for the rights specifically granted pursuant to this Agreement, each Party reserves all rights in and to any Patent, Know-how or other intellectual property right Controlled by it. No implied licenses are granted under this Agreement. Each Party will not, and will not permit any of its Affiliates or sublicensees to, practice any Patent, Know-How or other intellectual property licensed to it by the other Party outside the scope of the license granted to it under this Agreement.

2.5 Sublicenses to Third Party Patents. [REDACTED]

2.6 Right to Sublicense.

(a) I-Mab Sublicensing Right. Subject to the terms of this Agreement, I-Mab may grant sublicenses under the Licensed Technology without MorphoSys' prior written consent only to **(i)** Affiliates and **(ii)** any Third Party acting solely as contract manufacturer, contract research organization, distributor or wholesaler of I-Mab or its Affiliates. All other Sublicense Agreements shall require the prior written consent of MorphoSys (which shall not be unreasonably withheld, delayed or conditioned). [REDACTED]

(b) Compliance with Agreement. In order for rights under the Licensed Technology to be validly granted to a Sublicensee, the Sublicense Agreement with such Sublicensee must contain a provision that upon termination of this Agreement (unless in accordance with Section 15.2 by I-Mab) the relevant sublicense shall terminate within [REDACTED] following the termination of the Agreement and that the Sublicensee shall have the option to enter into a direct license agreement with MorphoSys within such [REDACTED] time period. If such sublicense only relates to the CD38 Compounds and/or CD38 Products licensed hereunder (and no other product), the direct license with MorphoSys shall contain the same financial terms as agreed under the relevant sublicense agreement, provided that such terms shall not be less favorable than under this Agreement). If such sublicense relates also to intellectual property rights other than those related to the CD38 Compounds and/or CD38 Products, the direct license with MorphoSys shall contain the same financial terms as agreed under the relevant sublicense agreement and not yet paid (provided that such terms shall not be less favorable than under this Agreement) with respect to CD38 Compounds and/or CD38 Products. For the avoidance of doubt, under this Section 2.6(b) MorphoSys shall not be entitled to any payments agreed under any such sublicense agreement for services performed by I-Mab under such sublicense agreement. If any such Sublicensee wishes to exercise any such option, MorphoSys hereby agrees to enter into any such direct license agreement with such Sublicensee.

(c) Liability for Sublicensees. I-Mab shall monitor compliance with and enforce any Sublicense Agreements against its Sublicensees, and shall be liable for the operations, acts and omissions of any Sublicensee as if such operations, acts, or omissions were carried out by I-Mab itself.

2.7 I-Mab Covenant. I-Mab hereby covenants and agrees not to use any Licensed Technology, nor grant to any Third Party any license or right under any Licensed Technology, other than as expressly permitted under this Agreement. Furthermore, I-Mab hereby covenants and agrees not to distribute, promote or conduct any marketing or sales activities in relation to any CD38 Compound or CD38 Product outside the Field or outside the Territory. For the avoidance of doubt, I-Mab's right to use any Joint Inventions shall be exclusively governed by Section 10.3 and Section 2.3 and shall not be restricted by this Section 2.7.

2.8 Right of Negotiation. [REDACTED].

3. TRANSFER OF DEVELOPMENT PROGRAM

3.1 Transfer of Data and Documents/Access to Personnel. Promptly following the receipt of the upfront fee set forth in Section 8.1, MorphoSys shall provide I-Mab copies of the MorphoSys Know-how existing as of the Effective Date and listed in **Exhibit 1A** that was not previously provided to I-Mab (the "**Initial Technology Transfer**"). Further details of such Initial Technology Transfer are set forth in **Exhibit 1A**. MorphoSys shall perform the Initial Technology Transfer in accordance with the provisions of **Exhibit 1A** and consistent with the timelines set forth in **Exhibit 1A**. After the Initial Technology Transfer, upon I-Mab's reasonable request, MorphoSys will provide I-Mab with reasonable assistance in the development and manufacture of CD38 Products in the Field in the Territory as described in **Exhibit 1B** (the "**Continuing Technology Transfer**"). The Continuing Technology Transfer will include the transfer of additional MorphoSys Know-How to I-Mab in existence as of the time of such request and not previously provided to I-Mab. In addition, MorphoSys shall provide to I-Mab access to its personnel as shall be reasonably requested by I-Mab for the purpose of facilitating the transfer and use of such MorphoSys Know-How for such purposes; such access shall be free of charge for the Initial Technology Transfer and any Continuing Technology Transfer shall be charged by MorphoSys at an FTE rate of US$ [REDACTED] per year thereafter.

3.2 Acceptance of Development Program Status. I-Mab accepts the MorphoSys Know-How in the condition as of the date of Effective Date based upon its own inspection, examination and determination with respect thereto (including the due diligence investigation conducted by it), without reliance upon any express or implied representations or warranties of any nature of MorphoSys or any employee, advisor or other representative of MorphoSys, except as expressly set forth in Section 11 of this Agreement. MorphoSys acknowledges that it has disclosed the MorphoSys Know-How in its possession to I-Mab in good faith in all material aspects and has not fraudulently withheld or tampered with any such MorphoSys Know-How. For the avoidance of doubt, nothing in this Agreement shall oblige MorphoSys to conduct or fund any additional clinical trials that may be required for the development of any CD38 Compound or any CD38 Product in the Field in the Territory.

3.3 Third Party Agreements. [REDACTED].

4. DEVELOPMENT OF CD38 PRODUCTS

4.1 General. Subject to Section 9.2, I-Mab shall be solely responsible for the development of any CD38 Compound and any CD38 Products in the Field in the Territory, including all relevant clinical trials and interactions with the competent regulatory authorities.

4.2 Diligence and Development Plan. I-Mab shall use Commercially Reasonable Efforts to develop at least one therapeutic, prophylactic or palliative CD38 Product for Commercialization in the Territory as soon as reasonably practicable (the "**I-Mab Development Program**"). The development shall be performed in accordance with the I-Mab Development Plan. The I-Mab Development Plan shall be focused on the most efficient path to obtain Marketing Approval of CD38 Products in the Field in the Territory, while taking into consideration potential impacts on the Exploitation of CD38 Compounds and/or any CD38 Products outside the Field and/or outside the Territory. A first version of the I-Mab Development Plan is set forth in **Exhibit 2**. Any change to the I-Mab Development Plan shall be discussed and approved by the JDC in accordance with Section 9.2. I-Mab shall use Commercially Reasonable Efforts to meet any development timelines set forth in the Development Plan; [REDACTED]. If I-Mab decides to not proceed with or to terminate the further development of any CD38 Products, I-Mab shall inform MorphoSys of such decision within [REDACTED] days and shall issue to MorphoSys a notice of I-Mab's intent to voluntarily terminate the Agreement pursuant to Section 15.3.

4.3 Coordination with MorphoSys. I-Mab acknowledges and agrees that MorphoSys (or MorphoSys' other licensees or successors in title) may pursue the Exploitation of CD38 Compounds and CD38 Products outside the Field and/or outside the Territory and that the development of anyCD38 Compound and any CD38 Product by I-Mab hereunder (including I-Mab's interactions with regulatory authorities) may affect such Exploitation of CD38 Compounds and CD38 Products by MorphoSys (or MorphoSys' other licensees or successors in title). I-Mab therefore agrees that all of its development activities (including all interactions with regulatory authorities) shall be closely coordinated with MorphoSys via the JDC in accordance with Section 9.2.

4.4 Use of Third Parties. For the purposes of Section 4.2, all efforts of any I-Mab Party and any Third Party contractors engaged by any I-Mab Party shall be considered efforts of I-Mab for the purpose of determining I-Mab's compliance with its obligations under Section 4.2. The Parties acknowledge and agree that any breach of the diligence obligations set forth in Section 4.2 by an I-Mab Party shall constitute a Material Breach of this Agreement giving rise to the termination right set forth in Section 15.2(a).

4.5 Records. I-Mab shall maintain records, in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes, which shall reflect the work done and the results achieved in the performance of its development efforts under this Agreement in a reasonable level of detail customary for companies engaged in pharmaceutical research and development. I-Mab shall make such records available for inspection upon reasonable written request by MorphoSys; such obligation shall survive the termination or expiration of this Agreement by an additional period of [REDACTED] years. All such records will be subject to the confidentiality provisions of Section 14.

4.6 Reporting. Notwithstanding I-Mab's reporting obligation under Section 9.2(c), I-Mab shall keep MorphoSys fully informed as to its progress, status and plans in relation to the development of CD38 Compounds and/or CD38 Products in the Territory by delivering to MorphoSys a [REDACTED] written report delivered no later than [REDACTED].

5. COMMERCIALIZATION OF CD38 PRODUCTS

5.1 General. Subject to Section 9.2, I-Mab shall be solely responsible for the Commercialization of CD38 Compounds and any CD38 Products in the Field in the Territory including [REDACTED].

5.2 Diligence. I-Mab shall use Commercially Reasonable Efforts [REDACTED]. In particular, I-Mab shall use Commercially Reasonable Efforts to start marketing and sales of such CD38 Product in mainland China within a reasonable period of time after receiving Marketing Approval in China from the CFDA. [REDACTED].

5.3 Reporting. Notwithstanding I-Mab's reporting obligation under Section 9.2(c), I-Mab shall provide [REDACTED] reports to MorphoSys detailing in summary form the Commercialization activities for all CD38 Compound and CD38 Products during [REDACTED].

6. MANUFACTURING

6.1 General. Unless otherwise set forth in Sections 6.4 or 6.5 below, I-Mab shall be solely responsible for the manufacturing and supply of CD38 Compounds and CD38 Products in sufficient quantities as required for the development and Commercialization of CD38 Compounds and CD38 Products in the Field in the Territory under this Agreement.

6.2 Manufacturing Transfer. MorphoSys agrees to support the transfer of the existing manufacturing processes and, if and when available, the commercial manufacturing process and analytical methods relating to any CD38 Compound to I-Mab or any manufacturing organization appointed by I-Mab by providing all know-how, data, documents and materials Controlled by or existing at MorphoSys (or made available by its applicable contract manufacturer) to I-Mab or the relevant manufacturing organization designated by I-Mab and by being available to respond to reasonable questions in connection with the implementation of such manufacturing processes at I-Mab or the relevant manufacturing organization. Further details of such technology transfer are set forth in **Exhibit 3.** [REDACTED] I-Mab shall bear all of its costs and all third party costs in connection with such manufacturing transfer. Notwithstanding the foregoing, MorphoSys will provide reasonable technical assistance regarding such manufacturing related MorphoSys Know-How as requested by I-Mab in accordance with, and at the FTE rates set forth in, Section 3.1.

6.3 Process Improvements. I-Mab shall bear all costs in connection with any improvements or changes to any CD38 Compound manufacturing process required to manufacture, distribute or sell CD38 Compounds in the Territory.

6.4 Clinical Supply of CD38 Compound. Notwithstanding Section 6.2, for as long as MorphoSys manufactures (or have manufactured) CD38 Compound for the development or Commercialization of CD38 Products outside the Field and/or outside the Territory, MorphoSys shall, upon request of I-Mab, use Commercially Reasonable Efforts to supply (or have supplied) to I-Mab, at [REDACTED] for such CD38 Product, such quantities of CD38 Compound that are required to perform the clinical trials under the I-Mab Development Program (provided that the packaging and labeling of the CD38 Compound for the Territory shall be made by I-Mab). If I-Mab wishes to exercise its right under this Section 6.4, it shall notify MorphoSys of its requirements of CD38 Compound as early as possible in writing (including per e-mail) and, following such notification, the Parties shall discuss in good faith the best way in which such requirements can be fulfilled (including the establishment of a regular supply demand forecasting system). I-Mab shall bear all costs in connection with the clinical supply of CD38 Compounds by MorphoSys under this Section 6.4, including, without limitation, import costs of MorphoSys' manufactured CD38 Compound to the Territory, taxes, duties, transport costs, transport insurance and other necessary costs such as repetition of release tests in China as well as any payments due to [REDACTED] for any clinical supply services under any work order. All clinical materials to be provided hereunder shall be provided [REDACTED].

6.5 Commercial Supply of CD38 Compound. Upon request of I-Mab, the Parties shall discuss in good faith whether and on what terms MorphoSys may supply (or may have supplied) CD38 Compound to I-Mab for the Commercialization of CD38 Products in the Field in the Territory under this Agreement, provided that I-Mab acknowledges and agrees that nothing in this Agreement shall oblige MorphoSys to enter into any such commercial supply arrangement. The Parties acknowledge and agree that I-Mab shall be entitled to directly sign a contract relating to clinical supply of CD38 Compound with MorphoSys' contract manufacturer [REDACTED] with MorphoSys' prior consent (which shall not be unreasonably withheld or delayed).

7. REGULATORY AFFAIRS

7.1 Regulatory Affairs. I-Mab shall have the full responsibility for all regulatory matters in connection with the development and Commercialization of any CD38 Compound and any CD38 Product in the Field in the Territory. In particular, I-Mab shall be solely responsible for all activities in connection with **(i)** preparing and filing of all CTA applications, **(ii)** preparing and filing of applications for Marketing Approvals and **(iii)** obtaining, maintaining and, if applicable, extending Marketing Approvals, Market Access and other regulatory approvals required for the Commercialization of the CD38 Products in the Field in the Territory (including communicating and preparing and filing all reporting requirements in compliance with Applicable Laws (including post-marketing surveillance, i.e. the practice of monitoring the safety of a pharmacological product after its release to the market) with the relevant regulatory authorities or other involved entities). I-Mab or its designee will own and hold all Marketing Approvals for CD38 Products in the Field in the Territory. Notwithstanding Section 9.2(c), I-Mab shall keep MorphoSys reasonably informed of its interactions with regulatory authorities with respect to CD38 Compounds and/or CD38 Products and reasonably consider any comments from MorphoSys.

7.2 Cooperation. Either Party will reasonably cooperate with the other Party in obtaining any Marketing Approvals for a CD38 Product in the other Party's respective field and territory by providing, to the extent reasonably required by such Party, access to and rights of reference to regulatory approvals, Regulatory Submissions, clinical data, manufacturing data and other data, information, and documentation for the CD38 Product controlled by such Party. In addition, upon the other Party's reasonable request, each Party will, and will cause its Affiliates and sublicensees (to the extent permitted in such sublicensees' agreement with such Party) to, provide to the other Party copies of such records of development, manufacturing, and Commercialization activities to the extent necessary to obtain Marketing Approval of the CD38 Product in the other Party's respective field and territory.

7.3 Inspections. Upon request by a Party, the other Party shall reasonably support such Party in the preparation and conduct of inspections of regulatory authorities at such Party.

7.4 Right of Reference. To the extent permitted by Applicable Law, each Party hereby grants to the other Party the right of reference to all Regulatory Submissions pertaining to the CD38 Product in the Field submitted by or on behalf of such Party. I-Mab may use such right of reference to MorphoSys' Regulatory Submissions in the Field solely for the purpose of seeking, obtaining and maintaining Marketing Approval of the CD38 Products in Field in the Territory. MorphoSys may use the right of reference to I-Mab's Regulatory Submissions in the Field solely for the purpose of seeking, obtaining and maintaining regulatory approval of the CD38 Products outside the Field and/or outside the Territory.

8. FINANCIAL TERMS

8.1 Upfront Fee. I-Mab shall pay to MorphoSys a one-time, non-creditable, non-refundable upfront fee of twenty Million US Dollars (US$ 20,000,000) within [REDACTED] after the Effective Date and after receipt of the invoice.

8.2 Milestone Payments.

(a) Regulatory and Sales Milestones. In consideration of the rights and licenses granted hereunder and the covenants undertaken by the Parties, within [REDACTED] of the first occurrence of any of the following milestone events with respect to any CD38 Product in the Field in the Territory (or in the event of any milestone event based on Net Sales, within [REDACTED] after the end of the Calendar Quarter in which the Net Sales milestone event occurs), I-Mab shall make the following one-time, non-creditable, non-refundable payments to MorphoSys:

No.	Milestone Event	Milestone Payment
1.	First patient dosed in any Pivotal Trial[1] in the Field for the Territory in any Indication, Combination or treatment line	[REDACTED] Million US Dollars (US$ [REDACTED])
2.	First patient dosed in any Pivotal Trial[1] in the Field for the Territory in any Indication, Combination or treatment line other than the Indication, Combination and treatment line for which milestone no.1 was paid	[REDACTED] Million US Dollars (US$ [REDACTED])
3.	First patient dosed in any Pivotal Trial[1] in the Field for the Territory in each additional Indication, Combination or treatment line[2]	[REDACTED] Million and [REDACTED] Hundred Thousand US Dollars (US$ [REDACTED]) each
4.	First Marketing Approval for any Indication, Combination or treatment line in the Field in the Territory	[REDACTED] Million US Dollars (US$ [REDACTED])
5.	First Marketing Approval for any Indication, Combination or treatment line other than the Indication, Combination and treatment line for which milestone no.4 was paid, in the Field in the Territory	[REDACTED] Million US Dollars (US$ [REDACTED])
6.	First Marketing Approval for each additional Indication, Combination or treatment line in the Field in the Territory[2]	[REDACTED] Million US Dollars (US$[REDACTED]) each
7.	First Calendar Year in which annual Net Sales of all CD38 Products in the Field in the Territory exceed US$ [REDACTED] Million	[REDACTED] Million US Dollars (US$ [REDACTED])
8.	First Calendar Year in which annual Net Sales of all CD38 Products in the Field in the Territory exceed US$ [REDACTED] Million	[REDACTED] Million US Dollars (US$ [REDACTED])

[REDACTED]

[REDACTED]

Example: [REDACTED]

1 [REDACTED].
2 [REDACTED].

(b) Reporting on Milestone Achievements. I-Mab shall provide written notice to MorphoSys of any occurrence of any of the milestones set forth in Section 8.2(a) no later than [REDACTED] following the occurrence of the relevant milestone event (or in the event of any milestone event based on Net Sales, within [REDACTED] after the end of the Calendar Quarter in which the Net Sales milestone event occurs). Disputes on whether a regulatory milestone event has occurred shall be settled according Section 9.2(f).

8.3 Royalties.

(a) Royalties for CD38 Products. In consideration of the rights and licenses granted hereunder and the covenants undertaken by the Parties, during the Royalty Term, I-Mab shall pay to MorphoSys tiered royalties on annual Net Sales of CD38 Products in the Field in the Territory in a Calendar Year at the rates set forth in the table below (subject to Section 8.3(c)).

Annual Net Sales of all CD38 Products in the Field in the Territory	**Royalty Rate**
For that portion of annual Net Sales less than or equal to [REDACTED] Million US Dollars (US$ [REDACTED])	[REDACTED] Percent ([REDACTED]%)
For that portion of annual Net Sales greater than [REDACTED] Million Dollars (US$ [REDACTED]) but less than or equal to [REDACTED] Million Dollars (US$ [REDACTED])	[REDACTED] Percent ([REDACTED]%)
For that portion of annual Net Sales greater than [REDACTED] Million Dollars (US$ [REDACTED])	[REDACTED] Percent ([REDACTED]%)

Example: [REDACTED]

(b) Duration of Royalty Payments. The Royalties payable by I-Mab to MorphoSys pursuant to Section 8.3(a) shall be payable on a country-by-country and CD38 Product-by-CD38 Product basis for a period commencing with the First Commercial Sale in the relevant country and ending on the later of: **(i)** the expiration, invalidation or abandonment date of the last Valid Claim that covers the composition of matter of such CD38 Product in such country in the Territory, **(ii)** [REDACTED] years after the First Commercial Sale of such CD38 Product in such country in the Territory, and **(iii)** the expiration of regulatory marketing exclusivity for such CD38 Product in such country in the Territory (such period, the "**Royalty Term**").

(c) Royalty Reduction. [REDACTED].

(d) Reporting of Net Sales. Within [REDACTED] of the end of each Calendar Quarter, I-Mab shall deliver to MorphoSys a report setting forth the following information for such Calendar Quarter, on a CD38 Product-by-CD38 Product, country-by-country and Territory-wide basis: **(i)** Net Sales of each CD38 Product and each underlying deduction made in accordance with Section 1.63, and **(ii)** the royalty due hereunder for the sale of each such CD38 Product. No such reports shall be due for any such CD38 Product **(x)** before the First Commercial Sale of such CD38 Product or **(y)** after the Royalty Term for such CD38 Product has expired in all countries in the Territory. The total royalty due for the sale of all such CD38 Products during such Calendar Quarter shall be transferred in accordance with Section 8.5.

(e) Currency. I-Mab shall make the payments due to MorphoSys under this Agreement in US Dollar (USD). Net Sales in currencies other than USD shall be converted into USD using the average of the respective exchange rate as published by Bloomberg for the respective quarter. All payments will be made without deduction of exchange, collection or other charges.

(f) Record Keeping. I-Mab shall keep and shall cause its Affiliates and Sublicensees to keep books and accounts of record in connection with the sale of CD38 Products in sufficient detail to permit accurate determination of all figures necessary for verification of royalties to be paid hereunder. I-Mab shall, and shall procure that any I-Mab Party will, maintain such records for a period of at least [REDACTED] years after the end of the Calendar Quarter in which they were generated.

(g) Audits. Upon [REDACTED] prior notice from MorphoSys, I-Mab shall permit an independent certified public accounting firm of internationally recognized standing selected by MorphoSys and reasonably acceptable to I-Mab, to examine, at MorphoSys' sole expense, the relevant books and records of any I-Mab Party as may be reasonably necessary to verify the amounts reported by I-Mab in accordance with Section 8.3(d) and the payment of royalties hereunder. An examination by MorphoSys under this Section 8.3(g) shall occur not more than once in any Calendar Year, not more than once with respect to records covering any specific period of time and shall be limited to the pertinent books and records for any Calendar Year ending not more than [REDACTED] before the date of the request. The accounting firm shall be provided access to such books and records at any facility of an I-Mab Party where such books and records are normally kept and such examination shall be conducted during such I-Mab Party's facility's normal business hours. I-Mab may require the accounting firm to sign a reasonably acceptable non-disclosure agreement before providing the accounting firm with access to any I-Mab Party's facilities or records. Upon completion of the audit, the accounting firm shall provide both I-Mab and MorphoSys a written report disclosing any discrepancies in the reports submitted by I-Mab or the royalties paid by I-Mab, and, in each case, the specific details concerning any discrepancies. No other information shall be provided to MorphoSys.

(h) Underpayments/Overpayments. If such accounting firm concludes that additional royalties were due to MorphoSys, then I-Mab will pay to MorphoSys the additional royalties within [REDACTED] of the date I-Mab receives such accountant's written report plus a fixed interest rate of [REDACTED] percent [REDACTED]% per month. Further, if the amount of such underpayments exceeds more than [REDACTED] percent ([REDACTED]%) of the amount that was properly payable to MorphoSys, then I-Mab shall reimburse MorphoSys for MorphoSys' costs in connection with the audit. If such accounting firm concludes that I-Mab overpaid royalties to MorphoSys, then MorphoSys will refund such overpayments to I-Mab, within [REDACTED] of the date MorphoSys receives such accountant's report.

(i) Confidentiality. All reports and financial information of any I-Mab Party which are provided to or subject to review by MorphoSys under this Section 8.3 shall be deemed to be I-Mab's Confidential Information and subject to the provisions of Section 14.

8.4 Third Party Payments.

(a) [REDACTED].

(b) [REDACTED].

(c) [REDACTED].

(d) [REDACTED].

8.5 General Payment Terms. Each Party shall comply with Applicable Laws regarding filing and reporting for income tax purposes. All payments under this Agreement are exclusive of applicable VAT, if any, which shall be listed separately on each invoice. Unless explicitly stated otherwise, all payments (other than royalty payments) due under this Agreement shall be made to the respective Party within [REDACTED] following the receipt of an invoice, which shall in no case be sent prior to the respective due date. All royalty payments are immediately due upon receipt of an invoice from MorphoSys, which shall in no case be sent prior to the receipt of the Net Sales report provided by I-Mab pursuant to Section 8.3(d). Each payment under this Agreement shall be made by electronic transfer in immediately available funds via bank wire transfer to such bank account as the respective Party shall designate in writing to the other Party at least [REDACTED] before the payment is due.

8.6 Late Payment. All payments under this Agreement shall bear interest from the date due until paid at a fixed interest rate of [REDACTED] percent ([REDACTED]%) per month.

8.7 Withholding Tax. If laws, rules or regulations require withholding of income taxes or other taxes imposed upon payments by I-Mab to MorphoSys, I-Mab shall support MorphoSys in obtaining a withholding tax exemption certificate to be issued by the competent tax authority. MorphoSys shall use commercially reasonable efforts to provide I-Mab with such withholding tax exemption certificate at least [REDACTED] Business Days prior to the payable date of any such payments (and with respect to the upfront fee, on the Effective Date). If MorphoSys fails to provide such certificate within such timing, I-Mab shall be permitted to withhold the withholding tax amount at the rate set forth by law from such payments, provided that I-Mab pays such amount to the competent tax authority. I-Mab shall submit appropriate proof of payment of the withholding taxes to MorphoSys within a reasonable period of time and shall make reasonable efforts to support MorphoSys in recouping such taxes, if any, from the respective tax authorities. In the event that I-Mab makes a payment to MorphoSys pursuant to this Agreement and fails to withhold any taxes which would have to be levied on such payment in I-Mab‘s country of incorporation, tax residence or country where I-Mab has or is deemed to have a taxable presence (country of residence), I-Mab cannot reclaim such taxes (including any potential applicable penalties and interest thereon) from MorphoSys at a later point in time. In case MorphoSys has to comply with tax formalities as a consequence of this Agreement in I-Mab’s country or countries of residence, I-Mab shall reasonably assist MorphoSys with the fulfillment of such formalities.

9. COLLABORATION AND GOVERNANCE

9.1 Alliance Managers. Within [REDACTED] after the Effective Date, each Party shall appoint (and notify the other Party of the identity of) an Alliance Manager. Each Party may, at any time, replace its Alliance Manager with another suitably qualified individual, on written notice to the other Party. The Alliance Managers shall be primarily responsible for facilitating communications between the Parties and coordinating the Parties’ activities under this Agreement.

9.2 Joint Development Committee.

(a) Formation, Composition. The Parties shall form a Joint Development Committee ("**JDC**") within [REDACTED] after the Effective Date to govern and oversee the research, development, regulatory activities and performance of the I-Mab Development Plan for all CD38 Compounds and all CD38 Products in the Field in the Territory and to ensure that negative impacts on the Exploitation of the CD38 Compound and/or any CD38 Products outside the Field and/or outside the Territory are avoided. [REDACTED].

(b) Specific Responsibilities of the JDC. In addition to its general responsibilities, the JDC shall in particular, to the extent permitted by Applicable Law:

(i) [REDACTED];

(ii) [REDACTED];

(iii) [REDACTED];

(iv) [REDACTED];

(v) [REDACTED];

(vi) [REDACTED]

(vii) [REDACTED].

[REDACTED].

(c) Information Exchange. I-Mab shall keep the JDC informed about all of its development activities as well as all facts, data or results that may be relevant for the development of CD38 Compounds and the CD38 Products (whether within or outside the Field or the Territory), including without limitation any actual or planned substantive communications with or from any regulatory authorities, any interim or final data or results of any study or clinical trial as well as any actual or planned activities to prepare for Market Access and Commercialization. The Parties will cooperate to exchange information with respect to development activities by MorphoSys outside the Field or outside the Territory (including without limitation clinical data) that could affect I-Mab's activities in the Territory.

(d) Meetings. The JDC shall meet at least [REDACTED], unless otherwise agreed between the JDC members. Either Party may also call a special meeting of the JDC (by videoconference or teleconference) with at least [REDACTED] prior written notice to the other Party if such Party reasonably believes that a significant matter must be addressed prior to the next scheduled meeting. The JDC may meet in person, by videoconference or by teleconference. There shall be at least one (1) meeting in person per year. In-person JDC meetings shall be held at locations alternately selected by MorphoSys and by I-Mab. [REDACTED]

(e) Subcommittees. The JDC may, from time to time, establish subcommittees to delegate its responsibilities under this Agreement. The JDC shall determine the charter, composition and other provisions relating to any such subcommittee in its discretion.

(f) Decision-Making. The JDC shall have the authority to make decisions with respect to the research and development of CD38 Compounds and CD38 Products in the Field in the Territory. [REDACTED]

9.3 Safety Data Exchange Agreement. Within [REDACTED] after the Effective Date, the safety representatives from each of the Parties shall agree upon a written pharmacovigilance agreement for exchanging adverse event and other safety information relating to CD38 Compounds and CD38 Products worldwide. Such written pharmacovigilance agreement shall describe the coordination of collection, investigation, reporting and exchange of information concerning adverse events or any other safety problem of any significance and product quality and product complaints involving adverse events according to a schedule that will permit each Party (and its Affiliates, Sublicensees or subcontractors) to comply with Applicable Laws, good pharmacovigilance practice and regulatory requirements. Each Party hereby agrees to comply with its respective obligations under such written pharmacovigilance agreement and to cause its Affiliates, licensees and sublicensees to comply with such obligations.

9.4 Global Clinical Trials. The Parties may discuss and agree at any time to conduct multi-region clinical trials which shall support the preparation or maintenance of Marketing Approvals in the Field both within and outside of the Territory. In the event of any such multi-region clinical trials, I-Mab shall be responsible for the costs of such parts of the clinical trials that are conducted in the Territory and MorphoSys shall be responsible for such parts of the clinical trials that are conducted outside the Territory and all further costs shall be shared on a reasonable *pro rata* basis, unless otherwise agreed between the Parties in writing.

10. PROSECUTION AND ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

10.1 Intellectual Property Forum. The Parties shall each appoint a senior patent attorney within [REDACTED] of the Effective Date to act jointly as a collaborative forum for the Parties to address intellectual property matters under this Agreement (the "**Intellectual Property Forum**"). The Intellectual Property Forum shall **(i)** be the primary point of contact for the Parties regarding the exchange of information on Inventions and CD38 Patents and on the filing, prosecution, maintenance, enforcement and defense matters pursuant to this Agreement, **(ii)** review and discuss the overall strategy for obtaining, maintaining and enforcing Patent protection and aligning the patenting strategy with other exclusivities available for the CD38 Products, and **(iii)** be the primary point of contract for all matters relating to Third Party Patents. Each Party may replace its member of the Intellectual Property Forum at any time upon written notice to the other Party.

10.2 Patent Prosecution of CD38 Patents.

(a) Prosecution. MorphoSys shall have the first right to control the preparation, filing, prosecution and maintenance of all CD38 Patents (including Patents Covering Joint Inventions) on a worldwide basis. MorphoSys shall **(i)** coordinate with I-Mab its activities relating to the preparation, filing, prosecution and maintenance of any CD38 Patent (other than any CD38 Non-exclusive Patent, **(ii)** keep I-Mab reasonably informed of its interactions with any patent offices with respect to the preparation, filing, prosecution and maintenance of such CD38 Patents in the Territory, **(iii)** grant to I-Mab the right to review and comment on any decisions or substantive submissions made in relation to the preparation, filing, prosecution and maintenance of such CD38 Patents in the Territory, **(iv)** reasonably consider in good faith I-Mab's recommendations with respect to the preparation, filing, prosecution and maintenance of such CD38 Patents in the Territory, and **(v)** align such decisions and substantive submissions with the Commercialization strategy of I-Mab in the Territory.

(b) Costs. All costs and expenses incurred by MorphoSys in relation to the preparation, filing, prosecution and maintenance of any CD38 Patents in the Territory shall be reimbursed by I-Mab to MorphoSys within [REDACTED] following receipt of the relevant invoice from MorphoSys. All costs and expenses incurred by MorphoSys in relation to the preparation, filing, prosecution and maintenance of any CD38 Patents outside the Territory shall be borne by MorphoSys.

(c) Abandonment. MorphoSys shall provide I-Mab with written notice at least [REDACTED] before actively abandoning, or before any filing or payment due date or any other due date that requires action (which MorphoSys does not intend to perform) in connection with the prosecution and maintenance of, any CD38 Patent (other than any CD38 Non-exclusive Patent) in the Territory. In such case, I-Mab shall have the option, exercisable by delivery to MorphoSys of a written notice thereof within [REDACTED] thereafter, to assume the right (but not the obligation), at its sole expense and sole discretion, to control the preparation, filing, prosecution and maintenance of such CD38 Patent in the Territory. If I-Mab timely exercises such option, then, with respect to such CD38 Patent, the rights attributed to MorphoSys under Section 10.2(a) shall thereafter be assumed by I-Mab and MorphoSys will promptly deliver to I-Mab copies of all necessary files related to such CD38 Patents and will take all actions and execute all documents reasonably necessary for I-Mab to assume such responsibility.

(d) Patent Term Extensions. MorphoSys shall use Commercially Reasonable Efforts to seek any patent term extensions, supplementary protection certificates or similar prolongations in relation to the CD38 Patents (other than any CD38 Non-exclusive Patent) in the Territory. The Parties shall cooperate in connection with all such activities, and I-Mab, its agents and attorneys will give due consideration to all suggestions and comments of MorphoSys regarding any such activities, but in the event of a disagreement between the Parties, MorphoSys will have the final decision-making authority. All reasonable costs in connection with such patent term extensions, supplementary protection certificates or similar prolongations in the Territory shall be borne by I-Mab.

10.3 Ownership of Inventions; Patent Prosecution of Patents Covering Inventions. Each Party shall promptly disclose to the other Party all Inventions made by it under this Agreement. Inventorship shall be determined in accordance with U.S. patent law. MorphoSys shall solely own any MorphoSys Inventions and I-Mab shall solely own any I-Mab Inventions. MorphoSys and I-Mab shall each own an undivided one-half interest in any Joint Inventions and any Patents Covering such Joint Inventions, without a duty of accounting or an obligation to seek consent from the other Party for the exploitation or license of the Joint Inventions (subject to Section 2.3 and the licenses granted to the other Party under this Agreement). The Parties will coordinate the preparation, filing, prosecution and maintenance of any Patents Covering any Invention in alignment with the overall patent strategy for the CD38 Patents. I-Mab shall have the sole right to control the preparation, filing, prosecution and maintenance of all Patents Covering I-Mab Inventions on a worldwide basis at its own costs. The preparation, filing, prosecution and maintenance of all Patents Covering MorphoSys Inventions or Joint Inventions shall be governed by Section 10.2.

10.4 Enforcement in the Field in the Territory. Each Party will promptly notify the other in the event of any actual, potential, alleged, threatened or suspected infringement of a CD38 Patent (including Patents Covering Joint Inventions) or any Patent Covering any Invention or any I-Mab Improvement Technology by any Third Party in the Field in the Territory which infringement adversely affects or is expected to adversely affect any CD38 Product and any related declaratory judgment, opposition, or similar action alleging the invalidity, unenforceability or non-infringement of any of the CD38 Patents or any Patent Covering any Invention or I-Mab Improvement Technology in the Field in the Territory (collectively, "**CD38 Product Infringement**").

(a) First Right of Enforcement for CD38 Patents. Subject to Section 12.3(e), MorphoSys shall have the first right (but not the obligation), at its sole expense and sole discretion, to bring and control any legal action in connection with such CD38 Product Infringement related to the CD38 Patents (including Patent Covering a Joint Invention) in the Field in the Territory. Prior to undertaking any such action to enforce any such Patent, MorphoSys shall notify I-Mab in writing. The Parties shall reasonably cooperate with each other in the planning and execution of any such action, provided that MorphoSys shall reimburse to I-Mab all costs incurred by I-Mab in connection with such action. If MorphoSys does not wish to enforce any such Patent against such a potential infringer in the Territory, MorphoSys shall deliver prompt written notice thereof to I-Mab.

(b) Second Right of Enforcement for CD38 Patents. Subject to Section 12.3(e), in the event that **(i)** MorphoSys delivers to I-Mab written notice described in subsection (a) above that it does not wish to bring or control any legal action in connection with a CD38 Product Infringement related to the CD38 Patents (including Patent Covering a Joint Invention) in the Field in the Territory, or **(ii)** MorphoSys has not taken legal action within [REDACTED] days from the date of either Party's notice under Section 10.3with respect to such CD38 Product Infringement, then I-Mab shall have the option, exercisable by delivery of written notice thereof to MorphoSys within [REDACTED] days thereafter, to assume the right (but not the obligation) at its sole expense and sole discretion, to bring and control any legal action in connection with such CD38 Product Infringement.

(c) Enforcement of I-Mab Patents and Patents Covering I-Mab Improvement Technology. I-Mab shall have the sole right (but not the obligation), at its sole expense and sole discretion, to bring and control any legal action in connection with such CD38 Product Infringement related to Patents Covering I-Mab Inventions and Patents Covering I-Mab Improvement Technology in the Field in the Territory. For the avoidance of doubt, this Section 10.4(c) shall not relate to Joint Inventions.

(d) Recoveries. [REDACTED].

(e) Cooperation. At the request of the Party bringing an action related to a CD38 Product Infringement, the other Party will provide reasonable assistance in connection therewith, including by executing reasonably appropriate documents, cooperating in discovery and joining as a party to the action if required by Applicable Law to pursues such action, at the requesting Party's sole cost and expense. In connection with an action related to a CD38 Product Infringement, the Party bringing such action will not enter into any settlement admitting the invalidity or non-infringement of, or otherwise impairing the other Party's rights in the CD38 Patent or Patent Covering a Joint Invention, I-Mab Invention or I-Mab Improvement Technology without the prior written consent of the other Party.

(f) Exception. Notwithstanding Sections 10.4(a) and (b), MorphoSys shall have the sole right, at its sole expense and sole discretion, to control the enforcement of the CD38 Non-Exclusive Patents in the Territory.

10.5 Enforcement outside the Field or the Territory. MorphoSys shall have the sole right, at its sole expense and sole discretion, to control the enforcement of the CD38 Patents (other than Patents Covering a Joint Inventions) outside the Field or outside the Territory. I-Mab shall have the sole right, at its sole expense and sole discretion, to control the enforcement of the Patents Covering the I-Mab Inventions and I-Mab Improvement Technology (other than Patents Covering a Joint Inventions) unless such infringement is within the field exclusively licensed to MorphoSys pursuant to Section 2.2 (and for such infringements Section 10.4 shall apply *mutatis mutandis*). Each Party shall have the first right in its territory to enforce the Patents Covering Joint Inventions for any infringement that is not a CD38 Product Infringement at its own expense as it reasonably determines appropriate unless such infringement is within the field exclusively licensed to MorphoSys pursuant to Section 2.2 (and for such infringements Section 10.4 shall apply *mutatis mutandis*). If such Party decides not to bring such legal action, it will do inform the other Party promptly and the other Party will have the right to bring and control any legal action in connection with such infringement at its own expense as it reasonably determines appropriate.

10.6 Patent Assistance. Each Party shall do or procure to be done all such acts and things, and execute or procure the execution of all such documents, as the other Party may from time to time reasonably request to assist the other Party in the preparation, filing, prosecution, maintenance and enforcement activities described in this Section 10.

10.7 Compensation to Inventors. Each Party shall be responsible for any compensation and any other payments due to inventors who are employees of such Party or its Affiliates or subcontractors.

10.8 Defense of Infringement Claims.

(a) Each Party will notify the other in writing of any allegations it receives from a Third Party that the Exploitation of a CD38 Product pursuant to this Agreement infringes the intellectual property rights of a Third Party. Such notice will be provided promptly, but in no event after more than [REDACTED] days following receipt of such allegations. Such written notice will include a copy of any summons or complaint (or the equivalent thereof) received regarding the foregoing. Each Party will assert and not waive the joint defense privilege with respect to all communications between the Parties.

(b) MorphoSys shall have the exclusive right to defend and control the defense of any such claim, suit or proceeding at its own expense, using counsel of its own choice; provided that MorphoSys may not enter into any settlement or consent judgment or other voluntary final disposition of a suit under this Section 10.8, which admits or concedes that any aspect of the CD38 Patents or Patents Covering Joint Inventions are invalid or unenforceable in the Territory or otherwise diminishes I-Mab's rights in such Patents without the prior written consent of I-Mab. I-Mab shall have the right, but not the obligation, to participate and be separately represented in any such suit at is sole option and at its own expense. Each Party will reasonably cooperate with the other Party regarding the defense of such claim.

(c) MorphoSys shall **(i)** keep I-Mab reasonably informed of all material developments in connection with any such claim, suit, or proceeding, **(ii)** provide I-Mab with copies of all pleadings filed in such action and **(iii)** allow I-Mab reasonable opportunity to participate in the defense of the claims.

10.9 Consequences of Patent Challenge.

(a) Termination on Patent Challenge. Except to the extent the following is unenforceable under the laws of a particular jurisdiction, MorphoSys shall be permitted to terminate this Agreement by written notice effective upon receipt of such termination notice by I-Mab, if any I-Mab Party directly, or indirectly through assistance granted to a Third Party, commence any interference or opposition proceeding, challenge the validity or enforceability of, or oppose any extension of or the grant of a supplementary protection certificate with respect to, any CD38 Patent (each such action a "**Patent Challenge**"). In the event I-Mab directly or indirectly commences a Patent Challenge and MorphoSys' termination right is finally determined to be unenforceable under the laws of a particular jurisdiction and I-Mab does not voluntarily terminate this Agreement, then effective upon receipt of written notice from MorphoSys [REDACTED]. Notwithstanding the foregoing, if I-Mab cancels any such Patent Challenge within [REDACTED] days of commencing such Patent Challenge then MorphoSys shall not have the right to terminate this Agreement or [REDACTED] under this Section 10.9.

(b) Sublicensees. I-Mab shall include provisions in all Sublicense Agreements providing that if the Sublicensee or any of its Affiliates directly, or indirectly through assistance granted to a Third Party, undertake a Patent Challenge with respect to any CD38 Patent under which rights are granted to the Sublicensee, I-Mab shall be permitted to terminate such Sublicense Agreement. If a Sublicensee directly, or indirectly through assistance granted to a Third Party, undertakes a Patent Challenge of any such Patent, then I-Mab upon receipt of notice from MorphoSys of such Patent Challenge shall immediately terminate the applicable Sublicense Agreement. Notwithstanding the foregoing under Section 10.9(a), if I-Mab promptly terminates the Sublicense Agreement of any Sublicensee that directly or indirectly commences a Patent Challenge, MorphoSys shall not have the right to terminate this Agreement under this Section 10.9. If I-Mab fails to so terminate such Sublicense Agreement, MorphoSys may terminate this Agreement.

11. REPRESENTATIONS AND WARRANTIES

11.1 Reciprocal Representations and Warranties. Each Party represents and warrants to the other Party as of the Effective Date that:

(a) It is duly organized and validly existing under the laws of its state or country of incorporation, and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof;

(b) This Agreement is a legal and valid obligation binding upon its Effective Date and enforceable against it in accordance with its terms and conditions;

(c) The execution, delivery and performance of this Agreement by such Party has been duly authorized by all necessary corporate action, and the person executing this Agreement on behalf of such Party has been duly authorized to do so by all requisite corporate actions;

(d) The execution, delivery and performance of this Agreement by it does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it;

(e) It has not granted, and shall not grant during the Term of the Agreement, any right to any Third Party, which would conflict with the rights granted to the other Party hereunder.

11.2 MorphoSys Warranties. [REDACTED].

11.3 MorphoSys Covenant. [REDACTED].

11.4 I-Mab Warranty. I-Mab hereby warrants and represents to MorphoSys as of the Effective Date that:

(a) I-Mab and its Affiliates do not develop or Commercialize any product that targets CD38;

(b) All written responses given and data and documents provided by I-Mab to MorphoSys in connection with the due diligence performed by MorphoSys in relation to I-Mab prior to the execution of this Agreement are true, complete and correct; and

(c) I-Mab has sufficient funds available to pay the upfront fee payable under Section 8.1 and expects to have sufficient funds available to pay all other payments due to MorphoSys hereunder. I-Mab expects that there are no restrictions on I-Mab that would prevent I-Mab from making such payments when due.

11.5 DISCLAIMER OF WARRANTY. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, EACH PARTY MAKES NO REPRESENTATIONS AND GRANTS NO WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND MORPHOSYS AND I-MAB EACH SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY OR MERCHANTABILITY, OR ANY WARRANTY AS TO THE VALIDITY OR ENFORCEABILITY OF ANY PATENTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

12. INDEMNIFICATION AND INSURANCE

12.1 Indemnification by MorphoSys. MorphoSys shall defend, indemnify and hold harmless I-Mab, its Affiliates, and their respective directors, officers, employees and agents from and against any losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "**Losses**") in connection with any liability suits, investigations, claims or demands by Third Parties ("**Third Party Claims**") to the extent arising from or occurring as a result of or in connection with **(i)** any breach by MorphoSys of its representations, warranties or obligations under this Agreement, **(ii)** the gross negligence or willful misconduct of MorphoSys or its Affiliates, **(iii)** the Exploitation of any CD38 Compound or a CD38 Product by MorphoSys, its Affiliates or licensees outside the Field and/or outside the Territory during the Term, or **(iv)** the Exploitation of any CD38 Compound or a CD38 Product by MorphoSys, its Affiliates or licensees in all Fields in all countries and territories either after the termination or expiration of this Agreement or prior to the Effective Date; except in each case to the extent that such Losses arise out of or result from the gross negligence, willful misconduct or breach of this Agreement of a party seeking indemnification hereunder.

12.2 Indemnification by I-Mab. I-Mab shall defend, indemnify and hold harmless MorphoSys, its Affiliates, and their respective directors, officers, employees and agents from and against any Losses in connection with any Third Party Claims arising from or occurring as a result of or in connection with: **(i)** any I-Mab Party's exercise of the rights granted under this Agreement, including the Exploitation of a CD38 Compound or a CD38 Product in the Field in the Territory, **(ii)** any breach by I-Mab of its representations, warranties or obligations under this Agreement, or **(iii)** the gross negligence or willful misconduct of any I-Mab Party; except in each case to the extent that such Losses arise out of or result from the gross negligence, willful misconduct or breach of this Agreement of a party seeking indemnification hereunder.

12.3 Indemnification Procedure.

(a) Notice of Claim. All indemnification claims in respect of a Party, its Affiliates or their respective directors, officers, employees and agents (collectively, the "**Indemnitees**" and each an "**Indemnitee**") shall be made solely by such Party to this Agreement (the "**Indemnified Party**").The Indemnified Party shall give the indemnifying Party (the "**Indemnifying Party**") prompt written notice (an "**Indemnification Claim Notice**") of any Losses or discovery of fact upon which such Indemnified Party intends to base a request for indemnification under Section 12.1 or Section 12.2; provided, however, that the failure to give such prompt written notice shall not relieve the Indemnifying Party of its indemnification obligation under this Agreement except and only to the extent that the Indemnifying Party is actually prejudiced as a result of such failure. In no event shall the Indemnifying Party be liable for any Losses that result from any delay in providing such notice. Each Indemnification Claim Notice must contain a description of the claim and the nature and amount of such Loss (to the extent that the nature and amount of such Loss are known at such time). The Indemnified Party shall furnish promptly to the Indemnifying Party copies of all papers and official documents received in respect of any Losses.

(b) Control of Defense. At its option, the Indemnifying Party may assume the defense of any Third Party Claim by giving written notice to the Indemnified Party within [REDACTED] days after the Indemnifying Party's receipt of an Indemnification Claim Notice. Upon assuming the defense of a Third Party Claim, the Indemnifying Party may appoint as lead counsel in the defense of the Third Party Claim any legal counsel selected by the Indemnifying Party. In the event the Indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party shall immediately deliver to the Indemnifying Party all original notices and documents (including court papers) received by any Indemnitee in connection with the Third Party Claim. Should the Indemnifying Party assume the defense of a Third Party Claim, the Indemnifying Party shall not be liable to the Indemnified Party or any other Indemnitee for any legal expenses subsequently incurred by such Indemnified Party or other Indemnitee in connection with the analysis, defense or settlement of the Third Party Claim.

(c) Right to Participate in Defense. Without limiting Section 12.3(b) above, any Indemnitee shall be entitled to participate in, but not control, the defense of such Third Party Claim and to employ counsel of its choice for such purpose; provided that such employment shall be at the Indemnitee's own expense unless **(i)** the employment thereof has been specifically authorized by the Indemnifying Party in writing, or **(ii)** the Indemnifying Party has failed to assume the defense and employ counsel in accordance with Section 12.3(b) (in which case the Indemnified Party shall control the defense).

(d) Settlement. [REDACTED].

(e) Cooperation. The Indemnified Party will, and shall cause each other Indemnitee to, cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, provide such witnesses and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection with the defense or prosecution of any Third Party Claim. Such cooperation shall include access during normal business hours afforded to the Indemnifying Party to, and reasonable retention by the Indemnified Party of, records and information that are reasonably relevant to such Third Party Claim, and making Indemnitees and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the Indemnifying Party shall reimburse the Indemnified Party for all its reasonable out-of-pocket expenses in connection therewith.

12.4 Insurance. [REDACTED].

13. LIMITATION OF LIABILITY

13.1 Liability for Subcontractors. To the extent either Party uses any subcontractors to comply with its obligations hereunder, such Party shall be liable for the activities and omissions of such subcontractors in accordance with the terms of this Agreement (except as otherwise provided in Section 6.4).

13.2 Limitation of Liability. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR LOST PROFITS, LOSS OF DATA, OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING UNDER ANY CAUSE OF ACTION AND ARISING IN ANY WAY OUT OF THIS AGREEMENT. THE FOREGOING LIMITATIONS SHALL NOT APPLY TO AN AWARD OF ENHANCED DAMAGES AVAILABLE UNDER THE PATENT LAWS FOR WILLFUL PATENT INFRINGEMENT. THIS LIMITATION OF LIABILITY DOES NOT APPLY IN CASES OF (i) WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, (ii) BREACHES OF SECTION 14, AND (iii) A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTIONS 12.1 AND 12.2.

14. CONFIDENTIALITY

14.1 Definition. During the Term and subject to the terms and conditions of this Agreement, a Party (a "**Disclosing Party**") may communicate or otherwise disclose to the other Party (a "**Receiving Party**") information in connection with this Agreement or the performance of its obligations hereunder, including scientific and manufacturing information and plans, marketing, sales and business plans, and financial and personnel matters relating to a Party or its present or future products, sales, suppliers, customers, employees, investors or business (collectively, "**Confidential Information**"). Without limiting the foregoing, "Confidential Information" of a Party is hereby deemed to include any information disclosed by such Party pursuant to that certain Confidential Disclosure Agreement between the Parties dated as of July 13, 2017 (the "**CDA**").

14.2 Exclusions. Notwithstanding the foregoing, information of a Disclosing Party shall not be subject to the obligations of non-disclosure and non-use set forth in this Section 14 with respect to a Receiving Party for purposes of this Agreement to the extent such information:

(a) was already known to the Receiving Party or its Affiliates, as evidenced by their written records, other than under an obligation of confidentiality or non-use, at the time of disclosure to the Receiving Party or its Affiliates;

(b) was generally available or was otherwise part of the public domain at the time of its disclosure to the Receiving Party;

(c) became generally available or otherwise became part of the public domain after its disclosure to the Receiving Party, through no fault of or breach of its obligations under this Section 14 by the Receiving Party;

(d) was disclosed to the Receiving Party, other than under an obligation of confidentiality or non-use, by a Third Party who had no obligation not to disclose such information or know-how to others; or

(e) was independently discovered or developed by the Receiving Party or its Affiliates, as evidenced by their written records, without the use of, and by personnel who had no access to, Confidential Information belonging to the Party that controls such information and know-how.

14.3 Disclosure and Use Restriction. Except as expressly provided herein, the Parties agree that, during the Term and [REDACTED] years thereafter, a Receiving Party shall keep completely confidential and shall not publish or otherwise disclose and shall not use for any purpose except for the purposes contemplated by this Agreement any Confidential Information of a Disclosing Party.

14.4 Authorized Disclosure. A Receiving Party may disclose Confidential Information of a Disclosing Party to the extent that such disclosure is:

(a) made in response to a valid order of a court of competent jurisdiction or other governmental or regulatory body of competent jurisdiction; provided that such Receiving Party shall first have given notice to the Disclosing Party and use reasonable efforts to quash such order or to obtain a protective order requiring that the Confidential Information and documents that are the subject of such order be held in confidence by such court or governmental or regulatory body or, if disclosed, be used only for the purposes for which the order was issued; and further provided that if a disclosure order is not quashed or a protective order is not obtained, the Confidential Information disclosed in response to such court or governmental order shall be limited to that information, which is legally required to be disclosed in response to such court or governmental order;

(b) otherwise required by Applicable Law (including the rules and regulations of the any competent security exchange commission or authority); provided that the Disclosing Party shall provide the Receiving Party with notice of such disclosure in advance thereof to the extent practicable and use reasonable efforts to secure confidential treatment of such information and to redact as much Confidential Information as possible prior to such disclosure, including to the extent permissible under Applicable Law, the financial terms of this Agreement;

(c) made by such Party to regulatory authorities as required in connection with any regulatory filing or application, and in connection with any patent prosecution and maintenance; provided that reasonable measures shall be taken to assure confidential treatment of such information;

(d) made by a Receiving Party, in connection with the performance of this Agreement, to directors, officers, employees, consultants, representatives or agents who need to know the Confidential Information in connection with this Agreement, each of whom prior to disclosure must be bound by written obligations of confidentiality and non-use at least similar in scope to those set forth in this Section 14;

(e) made by a Receiving Party to **(i)** existing or potential acquirers or merger candidates; **(ii)** existing or potential Sublicensees or existing or potential contractors (to the extent contemplated hereunder); **(iii)** investment bankers and other advisers; **(iv)** existing or potential investors, venture capital firms or other financial institutions or investors for purposes of obtaining financing; or to Affiliates or Sublicensees, each of whom prior to disclosure must be bound by obligations of confidentiality and non-use at least equivalent in scope to those set forth in this Section 14 or customary for such type and scope of disclosure;

(f) made by the Receiving Party with the prior written consent of the Disclosing Party.

14.5 Use of Name. Neither Party may make public use of the other Party's name except **(i)** in connection with announcements and other disclosures relating to this Agreement and the activities contemplated hereby as permitted in Section 14.6, **(ii)** as required by Applicable Law, and **(iii)** otherwise as agreed in writing by such other Party, including under Section 14.6(f).

14.6 Press Releases and Publications.

(a) Public Disclosures. The Parties have mutually agreed on a press release announcing the execution of this Agreement, which is attached hereto as **Exhibit 7**. For subsequent press releases and other written public disclosures relating to this Agreement or the Parties' relationship hereunder (each, a "**Public Disclosure**"), each Party shall submit to the other Party a draft of such Public Disclosures for review and comment by the other Party at least [REDACTED] full Business Days prior to the date on which such Party plans to release such Public Disclosure, and the reviewing Party shall submit its comments, if any, at least [REDACTED] hours prior to the planned release of such Public Disclosure. The publishing Party shall review and consider in good faith any comments provided in response. For the avoidance of doubt, MorphoSys and its sublicensees shall have the right to disclose data generated by or on behalf of MorphoSys or such sublicensees in relation to the development of CD38 Compounds and CD38 Products outside the Field and/or the Territory within scientific publications or presentations, provided that the proceeding described in Section 14.6(a) is complied with.

(b) Ad hoc Requirements. If a Party is unable to comply with the foregoing five (5)-day notice requirement because of a legal obligation or stock exchange requirement to make more rapid disclosure, such Party shall not be in breach of this Agreement but shall in that case give telephone and email notice to a senior executive of the other Party and provide a draft disclosure with as much notice as reasonably possible prior to the release of such Public Disclosure, the reasons such Public Disclosure is required by law, and the time and place the Public Disclosure will be made. The disclosing Party will consider in good faith any comments of the other Party related to such Public Disclosure. The Parties however acknowledge that for so-called "ad hoc" announcements required under the German Securities Act, no prior notice is possible.

(c) Public Domain. A Party may publicly disclose, without regard to the preceding requirements of this Section 14.6, information that was previously disclosed in a Public Disclosure that was in compliance with such requirements.

(d) Milestone Reporting. Both Parties agree that as part of their corporate communication policy and standard practice, MorphoSys and/or I-Mab may need to announce the achievement (including the amount) of payment-bearing milestones under this Agreement, and each Party shall be permitted to do so in accordance with applicable reporting standards, subject to the notification of any such announcement to the other Party.

(e) Development Results. Each Party (or Sublicensee in the case of I-Mab) may wish to publish the results of research and development under this Agreement. In order to safeguard intellectual property rights, the Party (or Sublicensee in the case of I-Mab) wishing to publish or otherwise publicly disclose the results of such research and development shall first submit a draft of each proposed manuscript, abstract, poster or external presentation to the other Party for review, comment and consideration of appropriate patent action at least [REDACTED] weeks prior to any submission for publication or other public disclosure. Within [REDACTED] days of receipt of the pre-publication materials, such other Party shall advise the Party seeking publication as to whether a patent application shall be prepared and filed or whether trade secret protection should be pursued and, if so, such other Party shall determine the appropriate timing and content of any such publications. Approval of a publication shall not be unreasonably withheld, conditioned or delayed. In addition, and subject to the requirements of applicable securities and other laws governing such disclosures, each Party shall use good faith efforts to notify the other Party in advance of any significant public announcement regarding the CD38 Compounds' and/or CD38 Products' performance and achievements under this Agreement. In case of any disclosure after the Effective Date that is required by Applicable Laws as reasonably advised by the Disclosing Party's counsel, such Party will provide the other Party with prompt notice of the required disclosure, such other Party shall not be entitled to withhold consent, but the Parties shall work together in good faith to find a mutually acceptable manner in which to make the disclosure. I-Mab acknowledges that MorphoSys is obliged to disclose the data of the clinical trials conducted by MorphoSys on the Effective Date of this Agreement to Celgene under the Celgene Termination Agreement.

(f) Naming of MorphoSys. I-Mab shall, and shall procure that any I-Mab Party will, name MorphoSys as the source of CD38 Compounds and/or CD38 Products in all Public Disclosures by any I-Mab Party.

14.7 Terms of Agreement to be Maintained in Confidence. The Parties agree that the terms of this Agreement are confidential and shall not be disclosed by either Party to any Third Party (except to a Party's professional advisor and as permitted for Confidential Information under Sections 14.4 and 14.6) without prior written permission of the other Party; provided that either Party may make any filings of this Agreement required by Applicable Laws in any country so long as such Party uses its reasonable efforts to obtain confidential treatment for portions of this Agreement as available, consults with the other Party, and permits the other Party to participate, to the extent practicable, in seeking a protective order or other confidential treatment; and further provided that a Party may publicly disclose, without regard to the preceding requirements of this Section 14.7, information that was previously disclosed in compliance with such requirements.

15. TERM AND TERMINATION

15.1 Term. The term of this Agreement shall commence as of the Effective Date and, unless earlier terminated in accordance with this Section 15, shall continue until expiration of the last payment obligation of I-Mab under this Agreement (the "**Term**").

15.2 Termination for Material Breach and Insolvency.

(a) Termination for Breach. Any material failure by a Party ("**Breaching Party**") to comply with any of its material obligations contained in this Agreement (such failure a "**Material Breach**") shall entitle the other Party ("**Non-Breaching Party**") to give to the Breaching Party written notice specifying the nature of the Material Breach and requiring the Breaching Party to make good or otherwise cure such Material Breach. If such Material Breach is not cured within [REDACTED] after the receipt of notice pursuant to this Section 15.2(a) (except for a Material Breach consisting of non-payment, in which case the cure period shall be [REDACTED], the Non-Breaching Party shall be entitled to terminate this Agreement with immediate effect by providing a written notice to the Breaching Party and without prejudice to any of its other rights conferred on it by this Agreement and other remedies available under Applicable Law, provided that if the Breaching Party disputes such breach in good faith and initiates the expedited dispute resolution procedure in accordance with Section 16.3(b), then the termination shall become effective [REDACTED] from the date of expiration of the original cure period pursuant to Section 15.2(a), unless the arbitrator pursuant to Section 16.3(b) decides in favor of the Non-Breaching Party within such [REDACTED], provided that even after such [REDACTED] period both Parties shall continue to comply with their obligations under Section 16.3(b) and provided further that if the arbitrator later decides that there was not sufficient reason for termination the termination declared by the Non-Breaching Party shall be null and void.

(b) Termination for Insolvency. Each Party will have the right to terminate this Agreement upon delivery of written notice to the other Party in the event that (i) such other Party files in any court or agency pursuant to any statute or regulation of any jurisdiction a petition in bankruptcy or insolvency or for reorganization or similar arrangement for the benefit of creditors or for the appointment of a receiver or trustee of such other Party or its assets, (ii) such other Party is served with an involuntary petition against it in any insolvency proceeding and such involuntary petition has not been stayed or dismissed [REDACTED] of its filing, or (iii) such other Party makes an assignment of substantially all of its assets for the benefit of its creditors .

15.3 Termination at Will. At any time prior to the First Commercial Sale (but not within the first [REDACTED] following the Effective Date), I-Mab will have the right to terminate this Agreement at will upon [REDACTED] prior written notice to MorphoSys. Following the First Commercial Sale, I-Mab will have the right to terminate this Agreement at will upon [REDACTED] prior written notice to MorphoSys. The effective date of such termination shall be the date [REDACTED] after I-Mab provides such written notice to MorphoSys, unless MorphoSys notifies I-Mab in writing that the effective date shall be an earlier date, in which case such earlier date shall be the effective date of such termination. For the avoidance of doubt, until the effective date of the termination, each Party shall be obliged to continue performing its obligations under this Agreement.

15.4 Consequences of Expiration and Termination. Upon the termination or expiration of this Agreement, all rights and obligations of either Party under this Agreement (including all licenses granted hereunder) shall terminate, unless explicitly provided otherwise in this Section 15.4 or elsewhere in this Agreement.

(a) Expiration **[REDACTED]**

(b) Early Termination by I-Mab pursuant to Section 15.3 or Termination by MorphoSys pursuant to Sections 10.9 or 15.2.

[REDACTED]

(i) [REDACTED]

(ii) [REDACTED]

(iii) [REDACTED]

(iv) [REDACTED]

(v) [REDACTED]

(vi) [REDACTED]

(vii) [REDACTED]

(viii) [REDACTED]

(ix) [REDACTED]

(x) [REDACTED]

(xi) [REDACTED]

(xi) [REDACTED]

[REDACTED]

[REDACTED]

16. MISCELLANEOUS

16.1 Assignment. Without the prior written consent of the other Party hereto (which may be granted at the other Party's discretion), neither Party shall sell, transfer, assign, delegate, pledge or otherwise dispose of, whether voluntarily, involuntarily, by operation of law or otherwise, this Agreement or any of its rights or duties hereunder; provided that either Party hereto may assign or transfer this Agreement or any of its rights or obligations hereunder without the consent of the other Party **(i)** to any Affiliate of such Party; or **(ii)** to any Third Party with which it merges or consolidates, or to which it transfers all or substantially all of its stock or assets to which this Agreement relates (provided that the assigning Party (except if it is not the surviving entity) shall remain jointly and severally liable with the relevant Affiliate or Third Party assignee under this Agreement and the relevant Affiliate assignee, Third Party assignee or surviving entity shall assume in writing all of the assigning Party's obligations under this Agreement). This Agreement will inure to the benefit of and be binding on the Parties' successors and permitted assigns. Any purported assignment or transfer in violation of this Section 16.1 shall be void *ab initio* and of no force or effect.

16.2 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of either Party under this Agreement shall not be materially and adversely affected thereby, **(i)** such provision shall be fully severable, **(ii)** this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, **(iii)** the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom, and **(iv)** in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties herein.

16.3 Governing Law, Dispute Resolution.

(a) Governing Law. This Agreement, and any disputes between the Parties related to or arising out of this Agreement (including the Parties' relationship created hereby, the negotiations for and entry into this Agreement, its conclusion, binding effect, amendment, coverage, termination, or the performance or alleged non-performance of a Party of its obligations under this Agreement) (each a "**Dispute**"), shall be governed by the laws of the state of New York in the United States of America, without reference to any choice of law principles thereof.

(b) Dispute Resolution. It is the intent and objective of the Parties to establish procedures to facilitate the resolution of any Disputes in an expedient manner by mutual cooperation and without resort to litigation. Accordingly, any Dispute, whether before or after termination of this Agreement, shall be resolved as follows:

(i) [REDACTED].

(ii) [REDACTED].

(iii) [REDACTED].

(iv) [REDACTED].

(v) [REDACTED].

(vi) [REDACTED].

(vii) By agreeing to arbitration neither Party intends to deprive any competent court having jurisdiction to issue, and each Party has the right to seek, immediate temporary injunctive or other temporary equitable relief, including a pre-arbitral injunction, pre-arbitral attachment or other order to avoid irreparable harm, maintain the status quo, preserve the subject matter of the Dispute or aid the arbitration proceedings and the enforcement of any award. Without prejudice to such provisional or interim remedies in aid of arbitration as may be available under the jurisdiction of a competent court, the arbitration panel shall have full authority to grant provisional or interim remedies and to award damages for failure of any Party to respect the arbitration panel's order to that effect.

(viii) EACH PARTY HERETO WAIVES: (I) ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY, AND (II) ANY CLAIM FOR ATTORNEY FEES, COSTS AND PREJUDGMENT INTEREST.

(ix) Notwithstanding anything in this Section 16.3, in the event of a Dispute with respect to the validity, scope, enforceability or ownership of any Patent or other intellectual property rights, and such Dispute is not resolved in accordance with Section 1.3(b)(i), such Dispute will not be submitted to an arbitration proceeding in accordance with this Section 16.3, unless otherwise agreed by the Parties in writing, and instead, either Party may initiate litigation in a court of competent jurisdiction in any country in which such rights apply.

16.4 Notices. All notices or other communications that are required or permitted hereunder shall be in writing and delivered personally, sent by facsimile (and promptly confirmed by personal delivery or overnight courier as provided herein), or sent by internationally-recognized overnight courier addressed as follows:

If to MorphoSys, to:

MorphoSys AG
***
Attention: ***
Facsimile: ***

If to I-Mab, to:

I-MAB Biopharma Co., Ltd.
***
Attention: ***
Facsimile: ***

With a copy to:

***
Facsimile: ***

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such communication shall be deemed to have been given when delivered. It is understood and agreed that this Section 16.4 is not intended to govern the day-to-day business communications necessary between the Parties in performing their duties, in due course, under the terms of this Agreement. If MorphoSys is not able to effect the service of a notice to I-Mab at the above address, the notice provided to *** shall be deemed sufficient to effect the notice to I-Mab under this Agreement. I-Mab may only replace *** by another reputable US law firm and shall in such case provide a written notification to MorphoSys.

16.5 Entire Agreement, Modifications. This Agreement including the Exhibits attached hereto, each of which is hereby incorporated and made part of in this Agreement by reference, sets forth and constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and all prior agreements, understanding, promises and representations, whether written or oral, with respect thereto, including the CDA. Each Party confirms that it is not relying on any representations or warranties of the other Party except as specifically set forth herein. No amendment or modification of this Agreement shall be binding upon the Parties unless in writing and duly executed by authorized representatives of both Parties.

16.6 Force Majeure. Neither Party shall be liable for failure of or delay in performing obligations set forth in this Agreement, and neither shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of such Party. In event of such force majeure, the Party affected thereby shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

16.7 Relationship of the Parties. It is expressly agreed that the Parties' relationship under this Agreement is strictly one of licensor-licensee, and that this Agreement does not create or constitute a partnership, joint venture or agency. Neither Party shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding (or purport to be binding) on the other.

16.8 Mutual Duty of Good Faith. The Parties undertake to be loyal to one another. Both Parties undertake not to actively entice away the respective other Party's employees **(i)** who are involved in the performance of any activities under this Agreement or **(ii)** who were involved in the performance of any activities under this Agreement, prior to expiration of a blocking period of [REDACTED] months following the Effective Date, provided, however, that the foregoing provision will not prevent any of the Parties from **(i)** employing or engaging any such person who contacts a Party on his or her own initiative without any direct or indirect solicitation by or encouragement from such Party, **(ii)** engaging in general solicitations not specifically targeted at such persons or employing or engaging any such person who contacts a Party in response to such general solicitation or **(iii)** employing or engaging any such person who no longer works for a Party at the time the other Party first commences employment discussions with such person.

16.9 Waiver. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by either Party hereto of any right hereunder or of claims based on the failure to perform or a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

16.10 No Benefit to Third Parties. The representations, warranties, covenants and agreements set forth in this Agreement are for the sole benefit of the Parties hereto and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other parties, except as expressly set forth in this Agreement.

16.11 Further Assurance. Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement and the performance thereunder, or to carry out more effectively the provisions and purposes, or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

16.12 English Language. This Agreement has been written and executed in the English language. Any translation by a Party into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

16.13 No Drafting Party. This Agreement has been submitted to the scrutiny of, and has been negotiated by, both Parties and their counsel, and shall be given a fair and reasonable interpretation in accordance with its terms, without consideration or weight being given to any such terms having been drafted by any Party or its counsel. No rule of strict construction shall be applied against either Party.

16.14 Anti-Corruption and Bribery. Each Party shall comply with all Applicable Laws relating to anti-bribery and anti-corruption. Each Party shall ensure that any person associated with it who is performing services or providing goods in connection with this Agreement does so only on the basis of a written contract, which imposes on and secures from such person terms equivalent to those imposed on either Party in this Section. Breach of this clause shall be deemed a material breach of this Agreement.

16.15 Construction. Except where the context otherwise requires, wherever used, the use of any gender shall be applicable to all genders and the word “or” is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term “including” as used herein means including, without limiting the generality of any description preceding such term. Unless the context requires otherwise, **(i)** any definition of or reference to any agreement, instrument or other document refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), **(ii)** any reference to any laws refer to such laws as from time to time enacted, repealed or amended, **(iii)** the words “herein”, “hereof” and “hereunder”, and words of similar import, refer to this Agreement in its entirety and not to any particular provision hereof, and **(iv)** all references herein to Sections and Exhibits, unless otherwise specifically provided, refer to the Sections and Exhibits of this Agreement.

16.16 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. If any signature is delivered by facsimile transmission or by e-mail delivery of a “PDF” format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “PDF” signature page were an original thereof.

[End of contract terms – signature page to follow on next page]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have caused this license and collaboration agreement to be executed by their respective duly authorized officers.

MorphoSys AG

By: /s/ MorphoSys AG

I-MAB

By: /s/ I-Mab

Exhibit 10.14

Execution Copy

GENEXINE, INC.

AND

TASGEN BIO-TECH (TIANJIN) CO., LTD.

INTELLECTUAL PROPERTY ASSIGNMENT AND LICENSE AGREEMENT

DATED October 16th, 2015

CONTENTS

INTELLECTUAL PROPERTY ASSIGNMENT AND LICENSE AGREEMENT

THIS INTELLECTUAL PROPERTY ASSIGNMENT AND LICENSE AGREEMENT (the "**Agreement**") is made on October 16th, 2015

BETWEEN

(1) **GENEXINE, INC.**, a limited liability company established in Korea, with its registered address at 700 Daewangpangyo-ro, Korea Bio-Park Bldg. B, Bundang-gu, Seongnam-si, Gyeonggi-do 463-400, Korea ("**Genexine**"); and

(2) **TASGEN BIO-TECH (TIANJIN) CO., LTD.**, a limited liability company established in Tianjin, the People's Republic of China (the "**PRC**"), with its registered address at Chenhuan Building, Tianjin Pharma and Medical Device Zone, Beichen District, Tianjin, the PRC ("**Tasgen**").

(Genexine and Tasgen are jointly referred hereinafter as the "**Parties**" and individually as a "**Party**".)

WHEREAS

(A) Genexine and Tasgen will be parties to a Capital Increase Subscription Agreement (the "**Subscription Agreement**").

(B) Genexine and Tasgen have agreed to establish a cooperation relationship with each other, under which Genexine, as the sole and exclusive owner of all the patents, patent applications, know-hows, data and information (the "**Licensed Intellectual Properties**"), which relate to the Licensed Products (as defined below) and are limited to those listed on Exhibit A-1 attached hereto and may be updated from time to time during the term of this Agreement upon mutual consents of the Parties, intends to grant the License (as defined below) of the Licensed Intellectual Properties to Tasgen so that Tasgen can engage in pre-clinical/clinical development, manufacturing, sale and distribution of the Licensed Products in the Territory (as defined below). Tasgen intends to accept the License of the Licensed Intellectual Properties from Genexine in accordance with this Agreement.

(C) Genexine, as the sole and exclusive owner of all the patents, patent applications, know-hows, data and information (the "**Assigned Intellectual Properties**", together with the Licensed Intellectual Properties, the "**Intellectual Properties**"), which relate to the Assigned Products (as defined below, together with the Licensed Products, the "**Products**") and are limited to those listed on Exhibit A-2 attached hereto, intends to sell and assign the Assigned Intellectual Properties to Tasgen so that Tasgen can engage in pre-clinical/clinical development, manufacturing, sale and distribution of the Assigned Products in the Territory (as defined below). Tasgen intends to purchase the Assigned Intellectual Properties from Genexine in accordance with this Agreement.

NOW IT IS AGREED between the Parties as follows:

1. DEFINITIONS

1.1 The following words and expressions shall have the meanings given to them below when used in this Agreement:

"**Affiliate**" means, with regard to a given natural or legal person (a "**Person**"), a Person that controls, is controlled by or is under common control with the given Person. For the purposes of this Agreement, except as otherwise expressly provided, when used with respect to any Person, "**control**" means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"**Assigned Products**" means long-acting GLP-1 named as GX-G6 ("**GX-G6**"). For the avoidance of doubt, the term "Assigned Products" does not include hyFc Platforms.

"**hyFc Platform**" means: as defined in the PRC patent 201410851771, through the fusion of Fc fragment of IgG4 with the amino acid sequence of target protein, the 231st to 240th amino acid will be replaced by CH2 area of IgD, as a result of which a long-acting medicine, the half-life of which is longer than target protein, is formed. Such fusion protein only has FcRn locus instead of Fcy Rs binding locus, which avoids cytolysis and immunogenicity. HyFc Platform means such Fc structure of IgD/IgG4.

"**Improvements**" means any improvement, modification or alteration to the Licensed Products, Assigned Products, or to the Intellectual Properties.

"**Licensed Products**" means (i) long-acting human growth hormone named as GX-H9 ("**GX-H9**"), (ii) long-acting human G-CSF named as GX-G3 ("**GX-G3**"), (iii) long-acting GLP-2, named as GX-G8 ("**GX-G8**"), (v) PD-L1 HyFc, named as GX-P2 ("**GX- P2**"), and (iv) any other products as agreed by the Parties from time to time after the execution of this Agreement, including but not limited to one product to be mutually agreed by the Parties in good faith within twelve (12) months after the execution of this Agreement, which are developed by using the hyFc Platform and manufactured by utilizing or embodying the Licensed Intellectual Properties. For the avoidance of doubt, the term "Licensed Products" does not include hyFc Platforms.

"**Net Sales**" means, the gross amount invoiced by Tasgen, and its Affiliates and sub-licensees to unrelated third parties for sales of the Products in the applicable Territory, less the following deductions to the extent included in the gross invoiced sales price for the Products or otherwise directly paid or incurred by Tasgen, and its Affiliates and sub-licensees, with respect to sales of the Products in the applicable Territory:

a) Trade, quantity and cash discounts allowed;

b) Discounts, refunds, rebates, chargebacks, retroactive price adjustments, and any other similar allowances which effectively reduce the net selling prices (but excluding sales force commissions) in accordance with the PRC GAAP and the laws of the applicable jurisdictions;

c) Product returns and allowances; and

d) Any value-added taxes imposed on the Product.

"**Territory**" means with respect to GX-H9, GX-G6 and GX-G3, the PRC, *provided*, *however*, that Tasgen shall have the right to conduct clinic trial in Taiwan and Australia; and with respect to GX-G8 and GX-P2, worldwide.

"**PRC**" means the People's Republic of China, for the purposes of this Agreement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan.

"**Technical Documentation**" means complete, correct and effective documents and electronic media embodying the Intellectual Properties furnished to Tasgen by Genexine in accordance with this Agreement, a list of Contents of Technology Transfer is attached hereto as Exhibit B.

"**Therapeutic Indication**" means (i) treatment of any disease for GX-H9, (ii) treatment of any disease for GX-G6, (iii) treatment of any disease for GX-G3, (iv) with respect to GX-G8, treatment of chemically induced diarrhea (CID), and (v) with respect to GX-P2, treatment of rheumatoid arthritis (RA) and lupus (not including psoriasis).

1.2 Any reference in this Agreement to "writing" includes facsimile transmission, telex, cable or comparable means of communication.

1.3 The headings in this Agreement are for convenience only and shall not affect its interpretation.

2. ASSIGNMENT AND LICENSE OF INTELLECTUAL PROPERTIES

A. ASSIGNMENT.

2.1 Subject to the terms and conditions hereof, Genexine hereby agrees to sell, transfer and assign to Tasgen, and Tasgen agrees to acquire from Genexine, the Assigned Intellectual Properties (the "**Assignment**").

2.2 Tasgen shall file the Assignment hereunder with the competent authorities for registration of the change of the patent applicant within twenty (20) working days after the execution of this Agreement. Genexine shall make commercially reasonable efforts to cooperate with Tasgen in the registration of the change of the patent applicant and the response to any office action issued to the Assigned Intellectual Properties and shall provide all the documents necessary for the registration.

2.3 From the execution date of this Agreement and prior to the effective date of the Assignment, Genexine shall grant to Tasgen an exclusive (even as to Genexine and its Affiliates) and non-transferable (other than to be transferred to an Affiliate of Tasgen, which has the substantially identical ownership structure as the then ownership structure of Tasgen) license in the Territory to use and otherwise exploit the Assigned Intellectual Properties and to engage in pre-clinical/clinical development, manufacturing, sale and distribution of the Assigned Products for the Therapeutic Indication in the Territory.

B. LICENSE.

2.4 Subject to the terms and conditions hereof, Genexine hereby grants to Tasgen for the term of this Agreement a non-transferable (other than to be transferred to an Affiliate of Tasgen, which has the substantially identical ownership structure as the then ownership structure of Tasgen) license in the Territory to use and otherwise exploit the Licensed Intellectual Properties to engage in pre-clinical/clinical development, manufacturing, sale and distribution of the Licensed Products for the Therapeutic Indication in the Territory (the "**License**"). Genexine hereby grants to Tasgen a right of first negotiation for three (3) years commencing as of the execution of this Agreement, if Genexine decides to grant a license in the PRC to use and otherwise exploit the relevant Licensed Intellectual Properties of GX-G8 and GX-P2 to engage in pre-clinical/clinical development, manufacturing, sale and distribution of GX-G8 and GX-P2 for therapeutic indications other than the Therapeutic Indications defined in this Agreement.

2.5 Tasgen shall use the Licensed Intellectual Properties only in the Territory for pre-clinical/clinical development, manufacturing, sale, distribution, marketing, and service of the Licensed Products for the Therapeutic Indication only and shall not use the same for any other purpose without Genexine's prior written consent.

2.6 The License hereunder shall be non-exclusive with respect to the Licensed Intellectual Properties and exclusive (even as to Genexine and its Affiliates) with respect to the Licensed Products for the Therapeutic Indication in the Territory. For clarity, Genexine has the right to license the Licensed Intellectual Properties to a third party in the Territory, *provided*, *however,* that Tasgen shall be the sole and exclusive licensee in the Territory to use and otherwise exploit the Licensed Intellectual Properties to engage in pre-clinical/clinical development, manufacturing, sale and distribution of the Licensed Products for the Therapeutic Indication. Use of the Licensed Intellectual Properties by Tasgen shall be limited to use for the licensed activities expressly stipulated in Article 2.5 and further subject to confidentiality restrictions on its use and disclosure as set forth herein. Tasgen shall not perform the licensed activities outside of the Territory. Except as expressly set forth in this Agreement, nothing in this Agreement shall be deemed to grant, directly or by implication, estoppel or otherwise, any license or rights of any kind to Tasgen.

2.7 Tasgen hereby covenants and agrees that it and its Affiliate shall not, directly or indirectly, develop, manufacture or sell any Licensed Products outside the Territory. Tasgen shall take reasonable efforts to prevent export of the Licensed Products outside the Territory and to avoid to sell the Licensed Products to a customer who desires to purchase the Licensed Products for sale outside of the Territory.

2.8 Genexine shall not grant any license or rights of any kind in any of the Intellectual Properties to any third party for the purpose of use, marketing, offer, distribution, sale, research, development or manufacture of the Licensed Products for the Therapeutic Indication in the Territory without Tasgen's prior written consent. Genexine shall ensure that neither Genexine nor its Affiliates shall, directly or indirectly, develop, manufacture or sell any Licensed Products or Assigned Products in the Territory. Genexine shall take reasonable efforts to prevent export of the Licensed Products or Assigned Products from outside the Territory into the Territory and to avoid to sell the Licensed Products or Assigned Products to a customer who desires to purchase the Licensed Products or Assigned Products for sale in the Territory.

2.9 The License is sublicensable by Tasgen in the Territory, *provided* that such sublicense (including have-made right) shall be conditional upon Genexine's prior written consent (other than to be sublicensed to an Affiliate of Tasgen, which has the substantially identical ownership structure as the then ownership structure of Tasgen), which consent cannot be unreasonably withheld, and subject to all of the restrictions and obligations of Tasgen set forth herein.

2.10 If all or any part of any Intellectual Properties becomes invalid and such invalidity is not due to a breach of the relevant representations, warranties and covenants made by Genexine in this Agreement, during the term of this Agreement, this Agreement shall remain effective with respect to any other Intellectual Properties that is not invalid. In this event, during the term of this Agreement, Tasgen continues to be obliged to pay the fees mutually agreed between the Parties pursuant to Article 3.3, 3.4(a) and 3.4(c) of this Agreement in consideration of the License to use the Intellectual Properties (including know-hows, data and information) as granted hereunder, *provided, however,* that the royalties pursuant to Article 3.4(b) hereof shall be reduced in accordance with the then market penetration rate of the relevant Licensed Products in the first year when a biosimilar product is sold in the Territory.

2.11 Tasgen shall file the License hereunder with the competent authorities for registration within twenty (20) working days from the execution of this Agreement. Genexine shall make commercially reasonable efforts to cooperate with Tasgen in the registration and shall provide all the documents necessary for the registration.

2.12 With respect to GX-G8 and GX-P2 related Licensed Products, after completion of first Phase I clinical trial in the Territory, Tasgen will have the right to pursue an out-license to grant a sub-license (within the scope of License granted to Tasgen hereunder) to a third party for the development and commercialization of the relevant Licensed Product (the "**Out-License**").

Notwithstanding the foregoing, if Tasgen or its sub-licensee fails to submit IND (investigational new drug) application with respect to GX-G8 or GX-P2 related Licensed Products for any Therapeutic Indication in any jurisdiction within thirty (30) months after Genexine becomes ready to conduct the technology transfer, subject to a unanimous decision made by all members of the Joint Development Committee, Genexine shall have the right to acquire from Tasgen all the relevant assets (including without limitation to the rights of intellectual properties) with respect to any such failed Therapeutic Indication of GX-G8 and GX-P2 related Licensed Products at the cost that Tasgen will have then expended and the license granted to any such failed Therapeutic Indication of GX-G8 and GX-P2 related Licensed Products will terminate.

3. FEES AND ROYALTIES

3.1 Upfront Payment for License. As soon as practical but in no event later than (A) ten (10) working days after the completion of (i) the Closing under the Subscription Agreement, and (ii) other governmental procedures reasonably necessary for the payment under this Article 3.1, or (B) the end of calendar year 2015, whichever is earlier, Tasgen shall pay US$13,000,000 to Genexine as the upfront license fees in connection with the License.

3.2 Payment for Assignment. As soon as practical but in no event later than (A) ten (10) working days after the completion of (i) the Closing under the Subscription Agreement, and (ii) other governmental procedures reasonably necessary for the payment under this Article 3.2, or (B) the end of calendar year 2015, whichever is earlier, Tasgen shall pay US$7,000,000 to Genexine as the purchase fee in connection with the Assignment.

3.3 Milestone Payments for GX-H9, GX-G6 and GX-G3. Tasgen shall pay two-time milestone fees per Licensed Product/Assigned Product, as follows, to Genexine conditioned upon that each Licensed Product/Assigned Product below reaches the following net revenue milestones:

	Milestone A		Milestone B	
Licensed Product /Assigned Product	Net Sales Target (US$ million)	Milestone Payment (US$ million)	Net Sales Target (US$ million)	Milestone Payment (US$ million)
GX-H9	150	15	250	25
GX-G6	100	10	150	15
GX-G3	50	5	100	10

3.4 Clinical Milestone Payments, Royalties and Sublicensing Fees for GX-G8 and GX-P2.

(a) Clinical Milestone Payments. Tasgen shall pay clinical milestone fees , as follows, to Genexine conditioned upon each Licensed Product below reaching the following clinical development milestones:

Licensed Product	Indication	Milestone A: Initiate P3 Trials Milestone Payment (US$ million)	Milestone B: approval of NDA Milestone Payment (US$ million)
GX-P2	RA	6	10
GX-P2	Lupus	3	4
GX-G8	CID	1	1

Notwithstanding the foregoing, if Tasgen pursue an Out-License of the out-of-PRC license in accordance with Article 2.12 while reserving the PRC license, *provided* that the clinical development milestones listed above are achieved in PRC, the clinical milestone payments shall be reduced to 10% of the total clinical milestone payments indicated above.

(b) In the absence of an Out-License pursuant to Article 2.12, Tasgen shall pay royalties to Genexine in respect of the sales of GX-G8 and GX-P2 related Licensed Products for a term of ten (10) years commencing on the date of first commercial sale of the relevant Licensed Products, as follows:

Annual Net Sales between 0 and US$50,000,000: 6.5%

Annual Net Sales between US$50,000,000 and US$100,000,000 7.5%

Annual Net Sales greater than US$100,000,000: 8.5%

(c) Sublicensing Fees. If the development and commercialization of GX-G8 and GX-P2 related Licensed Products is Out-Licensed in accordance with Article 2.12 hereof, Tasgen shall pay Genexine a sublicensing fee determined in accordance with the following formula:

Genexine's sublicense fee = X% * Sublicense Revenue - any paid clinical milestone payments pursuant to Article 3.4(a) hereof.

For purpose of the foregoing formula, "**Sublicense Revenue**" means any and all licensing fees, royalty and any other income (minus reimbursements and equity purchase) resulting from or in connection with the Out-License.

For purpose of the foregoing formula, "X" shall be determined in accordance with the following events:

(i) If the Out-License occurs after the completion of first Phase I clinical trial in the Territory, X shall be 40;

(ii) If the Out-License occurs after the start of the first Phase II clinical trial and prior to the start of the first Phase III, X shall be 30;

(iii) If the Out-License occurs after the start of the first Phase III clinical trial and prior to the first NDA filing, X shall be 15;

(iv) If the Out-License occurs after the first NDA filing, X shall be 10.

4. TRAINING

4.1 The Parties shall jointly formulate a training program for Tasgen and shall specify the qualifications of personnel suitable for receiving such training. Genexine shall provide Tasgen with adequate training in order to enable the personnel of Tasgen having ordinary skill required in the field to manufacture the Licensed Products and Assigned Products in compliance with the Technical Documentation. Tasgen shall be responsible for expenses relating to travel and lodging (including food) of the personnel sent by Genexine to Tasgen for conducting any training.

4.2 In the event that Tasgen encounters technical difficulties that the Parties recognise that Tasgen cannot solve by itself, Genexine shall, upon request by and on the cost of Tasgen, as soon as is reasonably practicable, but subject to availability, send experts or technical personnel to assist Tasgen in solving such technical problems and applying the Intellectual Properties in the manufacturing activities of Tasgen. If Genexine does not have its own experts or technical personnel who can solve the technical difficulties, Genexine shall make reasonable efforts to arrange, at Tasgen's cost, outside experts or technical personnel suitable for solving the technical difficulties.

4.3 During the term of this Agreement, each Party shall provide reasonable assistance to the other Party in order to enable the other Party's personnel to obtain visas and travel permits necessary for the performance of the Contract.

5. JOINT DEVELOPMENT COMMITTEE.

The Parties shall establish a joint development committee to oversee the development and commercialization activities under this Agreement. The operating committee shall be composed of three (3) persons, unless jointly agreed otherwise. Genexine shall be entitled to appoint one (1) member and Tasgen shall be entitled to appoint two (2) members who are with appropriate seniority and functional expertise.

6. IMPROVEMENTS

6.1 During the term of this Agreement, if Genexine develops or acquires any Improvements, it shall provide Tasgen details of the Improvements and such explanations or trainings as Tasgen may request to be able to legally and effectively use the Improvements and grant to Tasgen an exclusive license to use the Improvements free of charge in the Territory. For the avoidance of any doubt, the scope of Improvements Genexine may provide to Tasgen under this Article is limited to Improvements to the Licensed Products or Assigned Products (e.g., optimization) and does not include Improvements to the hyFc Platform technology.

6.2 During the term of this Agreement, if Tasgen develops or acquires any Improvements, Tasgen shall be the sole legal owner of the Improvements and has full power, right and authority to grant the license or transfer of ownership of the Improvements. Tasgen shall promptly notify Genexine in writing giving details of the Improvements and shall provide Genexine with such explanations or trainings to enable Genexine to legally and effectively use the Improvements free of charge and grant to Genexine an exclusive license to use the Improvements free of charge anywhere outside the Territory.

7. SALE OF PRODUCTS

7.1 The Licensed Products and the Assigned Products which are approved for sale by the relevant regulatory authority(ies) (e.g., China Food and Drug Administration) may be sold in the Territory and Tasgen shall be responsible for obtaining all necessary regulatory approvals and complying with regulations applicable to the Licensed Products and the Assigned Products.

7.2 During the term of this Agreement Tasgen shall promptly give prior notice to Genexine of sale of the Licensed Products and the Assigned Products to any customer within the Territory and provide Genexine with copies of purchase order(s) of the customer promptly after receiving the same from the customer.

8. BOOKS AND RECORDS

8.1 Tasgen shall keep complete and proper records and books of account showing the Net Sales, quantity and description of the Licensed Products and the Assigned Products sold by it, including accounting receipts and monthly and quarterly accounting statements in accordance with the relevant regulations of the PRC.

8.2 Such records and books of account shall be kept separate from any books and records which are not related to the Licensed Products and the Assigned Products and shall be open to inspection by Genexine or its duly authorised representatives or agents.

8.3 Tasgen shall permit Genexine (or its representatives) at Genexine's expense to inspect, audit and investigate at all reasonable times the books, accounts, records, audit reports, documents and other matters of Tasgen relating to the production and sale of the Licensed Products and Assigned Products. Such inspections, audits and investigations shall be conducted in such a manner and at such times so as not to adversely affect the operation of Tasgen or the sale of the Licensed Products and the Assigned Products and the results thereof shall be kept confidential.

9. TAX

Each Party shall (i) bear the cost of all stamp duty, income taxes and duties are legally required to be paid by it as a result of the transaction contemplated by this Agreement, and (ii) shall comply with all tax reporting and withholding obligations as applicable to it in connection with transactions contemplated by this Agreement as required by all applicable laws.

10. TECHNICAL DOCUMENTATION

10.1 Within thirty (30) days after the date of this Agreement, Genexine shall provide Tasgen free of charge with one set of all Technical Documentation that are reasonably necessary for Tasgen's use and exploitation of the Intellectual Properties in order to enable Tasgen to perform the licensed activities herein. A list of Contents of Technology Transfer is attached hereto as Exhibit B. From time to time, Genexine shall provide Tasgen with such requested written or oral explanations thereof at Tasgen's cost as Tasgen may reasonably require. Further sets of such documents shall be supplied by Genexine at Tasgen's expense.

10.2 Upon receipt of any such Technical Documentation, Tasgen shall promptly deliver to Genexine a written acknowledgment of receipt thereof and shall comply with the confidentiality provisions in this Agreement to protect the confidentiality of such Technical Documentation.

10.3 Genexine shall use all reasonable endeavours to ensure that the Technical Documentation shall be readable, complete and accurate. Tasgen shall notify Genexine in writing within three (3) months after receipt thereof if any of the Technical Documentation is not readable, complete or accurate and Genexine shall correct or replace the defective portions of the Technical Documentation free of charge to Tasgen. In the absence of a written notice from Tasgen to Genexine within the three (3) months period, the Technical Documentation in question shall be deemed to have been approved and accepted by Tasgen.

10.4 Genexine shall have the right to make necessary amendments to the Technical Documentation and shall provide Tasgen with such amendments from time to time.

11. MATERIALS

Tasgen may source raw materials, ingredients and other components for the production of the Licensed Products and the Assigned Products by itself, provided that the manufacturing of the Licensed Products by using these raw materials, ingredients and components shall meet the technical specifications and standards of Genexine.

12. CONFIDENTIALITY

12.1 Tasgen shall, during the term of this Agreement and after its termination or expiration for any reason, keep confidential and not make use of for any purpose other than the performance of its obligations under this Agreement, nor disclose to any other person otherwise than in accordance with Article 12.2 or with the prior written consent of Genexine, anything of the Intellectual Properties, including but not limited to, information contained in the Technical Documentation, Improvements and any other information disclosed (whether in writing, verbally or by other means) by or on behalf of Genexine. Without prejudice to the generality of this obligation above, Tasgen shall:

12.1.1 keep any and all of the Intellectual Properties separate from its own information or documentation;

12.1.2 arrange proper and secure storage facilities for the Intellectual Properties and control and supervise access of its employees and personnel to such facilities;

12.1.3 mark and label all information contained in the Intellectual Properties and Technical Documentation relating to the Intellectual Properties “confidential”;

12.1.4 disclose the Intellectual Properties only to its employees pursuant to Article 12.3;

12.1.5 prevent unauthorized access to or disclosure of the Intellectual Properties; and

12.1.6 not use, reproduce, transform or store any of the Intellectual Properties in any place that is externally accessible, whether it is in hardcopy or electronic form.

12.2 The foregoing obligations of non-use and non-disclosure shall not apply to:

12.2.1 information available to the public at the time when it is obtained or which subsequently becomes available to the public through no fault of Tasgen;

12.2.2 information which Tasgen can demonstrate was in its possession, as evidenced by written documents, at the time when it obtains such information from Genexine;

12.2.3 information properly conveyed to Tasgen after the disclosure by an independent and unrelated third party, which, third party disclosure was not under an obligation of confidentiality at the time of disclosure of the third party information; and

12.2.4 information required to be disclosed by law, provided that Tasgen promptly notifies Genexine of such requirement to enable Genexine the opportunity to oppose such requirement.

12.3 During the term of this Agreement Tasgen may disclose information which is confidential under Article 12.1 to its officers, directors, managers and employees, but only to the extent necessary for the purposes of this Agreement and provided such person has signed a confidentiality contract, in the form and substance satisfactory to the board of the directors of Tasgen.

12.4 Tasgen shall, at its own expense, take such steps as Genexine may require to enforce the terms of any confidentiality contract executed pursuant to Article 12.3 including, but not limited to, the initiation, prosecution and enforcement of any legal proceedings.

13. CLAIMS AND INFRINGEMENTS

13.1 Tasgen shall immediately notify Genexine of any claim, or any fact which may lead to a claim, of any nature by a third party that the use of the Licensed Intellectual Properties by Tasgen is or may be an infringement of a patent or other proprietary right of such third party, but shall take no action relating to such claim or infringement without Genexine's written consent. Genexine shall advise Tasgen whether it wishes to conduct a defense of any such claim. Should Genexine elect to conduct such a defense, it shall do so at its own expense, and Genexine shall have sole control of such defense either in its own name or in the name of Tasgen, as the case may be, and Tasgen shall give all reasonable assistance to Genexine to enable it to do so.

13.2 Genexine shall indemnify Tasgen and bear related costs for any claims, losses, damages, proceedings sustained by Tasgen in relation to any claims that may be made against Tasgen pursuant to Article 13.1, unless such claims, losses, damages, proceedings result from the default by Tasgen of its obligations under this Agreement or the use of Licensed Intellectual Properties by Tasgen otherwise than in accordance with this Agreement. Notwithstanding the above, the total and aggregate liability of Genexine shall not exceed an amount equal to the sum of (i) the upfront payment received by Genexine pursuant to Articles 3.1 and 3.2, (ii) any milestone payments of any corresponding product actually received by Genexine pursuant to Article 3.3 and 3.4, and (iii) any other payments received by Genexine pursuant to this Agreement.

13.3 Tasgen shall immediately notify Genexine of any information it obtains that any third party is or may be infringing the rights of Genexine relating to the Licensed Intellectual Properties, but shall take no action relating to such infringement without Genexine's written consent. Genexine shall advise Tasgen whether it wishes to take action with respect to such infringement. Should Genexine elect to take action with respect to such infringement, it shall do so at its own expense, and Genexine shall have sole control of such action and Tasgen shall give Genexine all reasonable assistance to enable it to do so. All compensation which may be recovered shall be made to Genexine.

13.4 In the event that Genexine elects not to take action under Article 13.3, Tasgen may, with the written consent of Genexine, take action in relation to the relevant infringement at its own cost and expense, and Genexine shall give all reasonable assistance in connection therewith. All compensation which may be recovered shall be made to Tasgen. Notwithstanding the foregoing, Tasgen shall not enter into any compromise, settlement or agreement with any person or entities relating to the Licensed Intellectual Properties otherwise than with the written consent of Genexine.

13.5 Except as provided in this Agreement, Genexine shall have no responsibility for any claim with respect to licensed activities performed and the Licensed Products or Assigned Products manufactured or distributed by Tasgen hereunder or arising from the use by Tasgen of the Intellectual Properties furnished by Genexine hereunder. Tasgen shall hold harmless and indemnify Genexine against any claim, loss or damage arising from claims by any third party with respect to any licensed activities performed and the Licensed Products or Assigned Products manufactured or distributed by Tasgen hereunder unless such claim, loss or damage arises from or is attributable to the any of the representations, warranties or covenants of Genexine herein. In addition, in the event of technical problems of a Licensed Product or Assigned Products as a consequence of any breach of warranty by Tasgen (including as a result of any failure by Tasgen to correctly apply any Intellectual Properties utilized by Tasgen for such Licensed Product or Assigned Products), Genexine may require Tasgen to implement any necessary preventive and corrective measures and Tasgen shall comply with Genexine's advice as soon as reasonably practicable at Tasgen's own expense.

13.6 Notwithstanding anything to the contrary in this Article 13 or elsewhere in this Agreement, neither Party shall have any liability, whether arising in contract, tort (including negligence), strict liability, breach of warranty or any other theory of law, for any special, incidental, indirect or consequential loss or damage of any nature suffered by the other Party.

14. REPRESENTATIONS, WARRANTIES AND COVENANTS

14.1 Genexine hereby represents and warrants to Tasgen, that Genexine is the sole legal owner of the Intellectual Properties and has full power, right and authority to grant the license to or make the assignment to Tasgen pursuant to this Agreement and, to the knowledge of Genexine, any of the Intellectual Properties is free of liens, pledges or any other encumbrances. To the knowledge of Genexine, there are no claims or investigations pending or threatened against any of the Intellectual Properties. To the knowledge of Genexine, the license and assignment hereunder does not violate the relevant laws of the respective places of registration of the Parties or infringe any third party rights. To the knowledge of Genexine, the manufacture, use and sale of the Products will not infringe upon the intellectual property rights of any third party in the Territory. To the knowledge of Genexine, the patents related to GX-G6 and GX-G8 in the Territory should be able to provide protection for the relevant products. The Licensed Intellectual Properties, and the relevant technical assistance, guidance and training, shall be sufficient to enable Tasgen to perform the licensed activities in accordance with all applicable specifications set forth in the Technical Documentation. During the term of this Agreement, Genexine shall maintain and protect the validity of the Licensed Intellectual Properties to the greatest extent permitted by the applicable laws. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, RESPECTING THIS AGREEMENT OR ANY INTELLECTUAL PROPERTIES OR TECHNICAL DOCUMENTATION FURNISHED HEREUNDER BY GENEXINE.

14.2 Except as provided in this Agreement, nothing in this Agreement shall limit the rights of Genexine to use the Licensed Intellectual Properties anywhere in the world and Tasgen waives and disclaims any right or interest in the Licensed Intellectual Properties which may arise under any law or legal theory out of the permitted use hereunder.

14.3 Nothing in this Agreement shall:

14.3.1 constitute a sale, transfer or assignment of the Licensed Intellectual Properties to Tasgen, unless it is otherwise agreed in other agreements, contracts or arrangements;

14.3.2 give Tasgen any right, title or interest in or to the Licensed Intellectual Properties except the license to use in accordance with this Agreement;

14.3.3 give Tasgen any right to register or apply for registration of any of the Licensed Intellectual Properties (except this Agreement itself), whether in the PRC or elsewhere; or

14.3.4 diminish or affect the rights of Genexine to take legal action or obtain any other relief against any infringer of the Licensed Intellectual Properties in the PRC or elsewhere.

14.4 Tasgen agrees that it shall:

14.4.1 not register or make any application to register the Licensed Intellectual Properties or any part thereof in the name of Tasgen in the PRC or elsewhere, whether for copyright, patent right or any other registerable right (for avoidance of doubt, Tasgen is permitted to register the License granted hereunder pursuant to Article 2.11);

14.4.2 strictly adhere to all instructions or advice from Genexine regarding the use of the Licensed Intellectual Properties;

14.4.3 comply with intellectual property laws of PRC and each of the jurisdictions where the Licensed Products are sold by Tasgen with respect to the use of the Licensed Intellectual Properties in such jurisdictions in order to preserve and maintain Genexine's rights in the Licensed Intellectual Properties;

14.4.4 inform Genexine of the imposition of any new laws or regulations or changes in laws or regulations imposed in the PRC during the term of this Agreement which affect performance by either Tasgen or Genexine under this Agreement;

14.4.5 maintain and protect the validity of the Assigned Intellectual Properties to the greatest extent permitted by the applicable laws and shall not assign the Assigned Intellectual Properties to its Affiliate (other than to an Affiliate of Tasgen, which has the substantially identical ownership structure as the then ownership structure of Tasgen) or any third party without Genexine's prior written consent; and

14.4.6 not contest, infringe or harm any right which Genexine or any affiliate of Genexine may have in Licensed Intellectual Properties, whether in the PRC or elsewhere.

15. TERM AND TERMINATION

15.1 This Agreement shall take effect upon execution by the Parties and shall remain in full force and effect for 30 years unless terminated earlier pursuant to this Agreement, except that termination shall not affect:

(a) the accrued rights and obligations of the Parties at the date of termination; and

(b) the continued existence and validity of the rights and obligations of the Parties under those articles which are designed to survive termination and any provisions of this Agreement necessary for the interpretation or enforcement of this Agreement.

15.2 Unless otherwise provided herein, this Agreement may be terminated:

15.2.1 by either Party giving notice to the other Party if the other Party has committed a material breach of this Agreement and such breach, if capable of remedy, has not been so remedied within sixty (60) days following receipt of such notice, unless otherwise provided herein;

15.2.2 by either Party giving notice to the other Party in the event that an event of Force Majeure continues for a period of six (6) consecutive months that causes Tasgen to cease the production and sale of the Licensed Products and the Parties have been unable to find an equitable solution pursuant to Article 19;

15.2.3 by either Party giving notice to the other Party if at any time during the term of this Agreement, the Government of the PRC should require any material alteration or modification of the contractual rights or obligations of the Parties pursuant to this Agreement which has the effect of preventing the Parties from achieving their business objectives;

15.2.4 by either Party giving notice to the other Party if the other Party becomes bankrupt, or insolvent, or is the subject of proceedings or arrangements for liquidation or dissolution, or ceases to carry on business, or becomes unable to pay its debts as they become due;

15.2.5 by Genexine giving notice to Tasgen if Tasgen fails to obtain regulatory approvals or other registrations necessary for sale or distribution of the Licensed Products in the Territory in accordance with a business plan and timeline approved by the board of the directors of Tasgen from time to time due to a reason attributable to Tasgen or ceases to pursue clinical development or product registration or to conduct licensed activities in a reasonable scale pursuant to a written resolution made by Tasgen's board of directors; or

15.2.6 by either Party giving notice to the other Party if at any time during the term of this Agreement, the Subscription Agreement or the Joint Venture Agreement is terminated for any reason. However, if the Subscription Agreement or the Joint Venture Agreement is terminated due to a Party's material breach, such breaching Party will not have the terminating right under this Article 15.2.6.

15.3 Upon termination of this Agreement for whatever reason, Tasgen shall immediately cease to use the Licensed Intellectual Properties as provided by Genexine and shall cease to manufacture the Licensed Products. Tasgen shall cooperate with Genexine in de- registration of the License hereunder with the competent authorities.

15.4 Upon termination of this Agreement for whatever reason, Tasgen shall sell to Genexine at market price all the Licensed Products or parts thereof (which are in good condition for sale to customers and already approved for sale by the China Food and Drug Administration) which are not subject to delivery under a sale to customers.

15.5 Upon expiration or termination of this Agreement, all amounts then due and unpaid to Genexine by Tasgen hereunder, as well as all other amounts accrued but not yet payable to Genexine by Tasgen, shall forthwith become due and payable by Tasgen to Genexine. However, in the event that this Agreement is terminated by Tasgen as a result of Genexine's material breach of this Agreement and Tasgen has raised claims against Genexine due to such breach, the aforesaid payment will be suspended until settlement of such claims pursuant to Article 19 hereof.

15.6 All Licensed Intellectual Properties, including the Improvements and the Technical Documentation relating to the Licensed Intellectual Properties as provided by Genexine, recorded in any material form including but not limited to any written records shall be returned by Tasgen to Genexine forthwith upon the termination or expiration of this Agreement. Tasgen agrees on behalf of itself and its employees that no copies of the Licensed Intellectual Properties in any material form or of the Technical Documentation relating to the Licensed Intellectual Properties shall be made or retained upon and after the termination or expiration of this Agreement.

15.7 Upon termination of this Agreement pursuant to Article **Error! Reference source not found.**, all Assigned Intellectual Properties, including the Improvements and the Technical Documentation relating to the Assigned Intellectual Properties as provided by Genexine, shall be returned or re-assigned by Tasgen to Genexine forthwith. Tasgen agrees on behalf of itself and its employees that no copies of the Assigned Intellectual Properties in any material form or of the Technical Documentation relating to the Assigned Intellectual Properties shall be made or retained upon and after the termination of this Agreement.

15.8 Upon termination, Tasgen agrees to permit Genexine and its representatives to inspect the records and accounts of Tasgen and to investigate generally all business transactions carried on by Tasgen under and pursuant to this Agreement for a period of twelve (12) months following the last sale of the Licensed Products, and Tasgen agrees not to destroy any of such records prior to the expiration of such twelve (12) month period.

16. INDEPENDENT CONTRACTORS

The Parties are independent contractors, and nothing in this Agreement shall be construed to constitute either Party to be the agent, partner, legal representative, attorney or employee of the other for any reason whatsoever. Neither Party shall have the power or authority to bind the other except as specifically set out in this Agreement.

17. FORCE MAJEURE

17.1 "**Force Majeure**" means all events which are beyond the control of the Parties to this Agreement, and which are unforeseen, or if foreseen, unavoidable, and which prevent total or partial performance by either Party. Such events shall include but are not limited to any lockouts, explosions, shipwrecks, acts of nature or the public enemy, fires, flood, sabotage, accidents, strikes, wars, riots, insurrections, and any other similar contingency.

17.2 If an event of Force Majeure occurs, to the extent that any contractual obligation of either Party cannot be performed as a result of such event, such contractual obligation shall be suspended while the Force Majeure subsists and the due date for performance thereof shall be automatically extended, without penalty, for a period equal to such suspension.

17.3 The Party encountering Force Majeure shall, within fifteen (15) days of the relevant event, notify the other Party and furnish valid proof of the occurrence of such Force Majeure. Within a reasonable period thereafter that Party shall provide the other Party with evidence of the Force Majeure issued by a relevant agency. The Party encountering Force Majeure shall also use all reasonable endeavours to minimize the consequences of such Force Majeure.

17.4 In the event of Force Majeure, the Parties shall immediately consult with each other in order to mutually agree an equitable solution (which may involve early termination of this Agreement a part thereof or extension of the term of this Agreement) and shall use all reasonable endeavours to minimize the consequences of such Force Majeure.

18. LIABILITY FOR BREACH AND INDEMNIFICATION

18.1 Tasgen shall indemnify and hold Genexine harmless against all losses, liabilities, costs, claims, actions, damages, expenses or demands, which Genexine may incur, or which may be made against Genexine as a result of or in relation to any breach by Tasgen of its obligations under this Agreement or arising out of any improper use of the Licensed Intellectual Properties by Tasgen.

18.2 Genexine shall indemnify and hold Tasgen harmless against all losses, liabilities, costs, claims, actions, damages, expenses or demands, which Tasgen may incur, or which may be made against Tasgen as a result of or in relation to any breach by Genexine of its obligations under this Agreement, including but not limited to any breach of Genexine's representations, warranties and covenants made in Article 14.1. Notwithstanding the above, the total and aggregate liability of Genexine under this Agreement shall not exceed an amount equal to the sum of (i) the upfront payment received by Genexine pursuant to Articles 3.1 and 3.2, (ii) any payments of any corresponding product actually received by Genexine pursuant to Article 3.3 and 3.4, and (iii) any other payments received by Genexine pursuant to this Agreement.

19. SETTLEMENT OF DISPUTES

Dispute resolution mechanism set forth in the Subscription Agreement shall apply *mutatis mutandis*.

20. ASSIGNMENT

20.1 Neither party may assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of the other party, except Genexine shall be entitled to assign or transfer its rights and obligations under this Agreement to any of its Affiliates or to any company which succeeds to the business of Genexine, whether through stock or asset sale, merger, reorganization or otherwise, provided that Tasgen shall be notified by Genexine of such assignment or transfer in writing and such successor succeeds to Genexine's rights in the Licensed Intellectual Properties and shall agree in writing to assume the rights and obligations of Genexine under this Agreement.

20.2 This Agreement is binding upon and is made for the benefit of the Parties and their successors and permitted assignees.

20.3 Tasgen shall continue to be bound by the rights and obligations under this Agreement regardless of any change of control in Tasgen whether through stock or asset sale, merger, reorganization or otherwise and promptly notify Genexine of such change of control in writing.

21. NOTICES

Any notices to be given under this Agreement shall be in writing and deemed delivered when received by the Party to whom it is addressed, and receipt shall be evidenced by (i) the written receipt of the receiving Party or the affidavit from the delivering person, if hand delivered, confirming delivery or refusal of delivery by the addressee, (ii) the signed returned receipt or other written proof of delivery if delivered by registered air or express mail (return receipt requested) or by an internationally recognized courier service, or (iii) electronic proof of transmission if sent by e-mail, fax or telex, provided that any notice sent by e-mail, fax or telex shall also be sent by registered air or express mail (return receipt requested) or internationally recognized courier service. Notices shall be given to the relevant party at the addresses set forth below:

Tasgen:

***

Attention: General Manager

E-mail:

Genexine:

***

Attention: ***

E-mail: ***

22. MISCELLANEOUS

22.1 Tasgen shall observe and comply with all laws, rules and regulations applicable to the manufacture, packaging, storage, handling, advertising, marketing and sale of the Licensed Products in the Territory. Tasgen shall, at its own cost and expense, secure and maintain all necessary governmental permits, licenses and approvals, and will fulfil all other requirements and undertakings related to this Agreement which are or may become necessary under any law or regulation, to enable the Parties to exercise, enforce and enjoy all of the rights and obligations contained in this Agreement.

22.2 Failure or delay on the part of either Party to exercise any right, power or privilege hereunder, or any other contract relating hereto, shall not operate as a waiver thereof, nor shall the partial exercise of any right, power or privilege preclude any other future full and complete exercise thereof.

22.3 The validity, interpretation and implementation of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

22.4 This Agreement is written in Chinese and English. If there should be any discrepancy between the English and Chinese versions of the Agreement, the English version shall be controlling in all respects.

22.5 Should any Article or any part of any Article contained in this Agreement be declared invalid or unenforceable for any reason whatsoever, all other Articles or parts of Articles contained in this Agreement shall remain in full force and effect.

22.6 This Agreement and all documentation executed in connection therewith shall constitute the entire agreement between the Parties with respect to the subject matter and shall automatically cancel and supersede any and all prior or contemporaneous oral or written understandings with respect thereto. In the event of any inconsistency between the Subscription Agreement, Sino-Foreign Equity Joint Venture Contract dated October 16th, 2015 and this Agreement in relation to the subject matter of this Agreement, this Agreement shall prevail.

22.7 This Agreement may be amended only by a written instrument signed by the Parties.

22.8 This Agreement shall be executed in three (3) originals in English and three (3) in Chinese.

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IN WITNESS WHEREOF each of the Parties hereto has caused this Agreement to be executed by its duly authorised representative on the date first set forth above.

TASGEN BIO-TECH (TIANJIN) CO., LTD. **GENEXINE, INC.**

/s/ TASGEN BIO-TECH (TIANJIN) CO., LTD. **/s/ GENEXINE, INC.**

EXHIBIT A-1
LIST OF LICENSED INTELLECTUAL PROPERTIES
[***]

EXHIBIT A-2
LIST OF ASSIGNED INTELLECTUAL PROPERTIES
[***]

EXHIBIT B
CONTENTS OF TECHNOLOGY TRANSFER
[***]

GENEXINE, INC.

AND

I-MAB

INTELLECTUAL PROPERTY LICENSE AGREEMENT

DATED DECEMBER 22, 2017

INTELLECTUAL PROPERTY LICENSE AGREEMENT

THIS INTELLECTUAL PROPERTY LICENSE AGREEMENT (the "**Agreement**") is made on December 22, 2017

BETWEEN

(1) **GENEXINE, INC.**, a limited liability company established in Korea, with its registered address at *** ("**Genexine**"); and

(2) **I-MAB**, a company established in the laws of Cayman Islands, with its registered address at *** ("**I-Mab**").

(Genexine and I-Mab are jointly referred hereinafter as the "**Parties**" and individually as a "**Party**".)

WHEREAS

Genexine and I-Mab have agreed to establish a cooperation relationship with each other, under which Genexine, as the sole and exclusive owner of all the patents, patent applications, know-hows, data and information (the "**Licensed Intellectual Properties**"), which relate to the Licensed Product (as defined below) and are limited to those listed on Exhibit A attached hereto and may be updated from time to time during the term of this Agreement upon mutual consents of the Parties, intends to grant the License (as defined below) of the Licensed Intellectual Properties to I-Mab so that I-Mab can engage in pre-clinical/clinical development, manufacturing, sale and distribution of the Licensed Product in the Territory (as defined below). I-Mab intends to accept the License of the Licensed Intellectual Properties from Genexine in accordance with this Agreement.

NOW IT IS AGREED between the Parties as follows:

1. **DEFINITIONS**

1.1 The following words and expressions shall have the meanings given to them below when used in this Agreement:

"**Affiliate**" means with regard to a given natural or legal person (a "**Person**"), a Person that controls, is controlled by or is under common control with the given Person. For the purposes of this Agreement, except as otherwise expressly provided, when used with respect to any Person, "**control**" means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"Competing Product" means any pharmaceutical product that contains GX-I7 or Hyleukin covered by valid claims of the Hyleukin Patents listed in Exhibit A or any Improvements developed or acquired by Genexine or I-Mab during the term of this Agreement.

"First Commercial Sale" means the first sale of the Licensed Product by I-Mab, or its Affiliates or sub-licensees to unrelated third parties in any country within the Territory which shall be determined by the delivery date to the party indicated on the respective invoice for the actual first commercial sale.

"**hyFc Platform**" means the fusion of Fc fragment which is composed of the human IgD hinge region fused to the N-terminal region of CH2 from IgD, which is in turn fused to the C-terminal region of CH2 and the entire CH3 region of human IgG4.

"**Improvements**" means any improvement, modification or alteration to the Licensed Product, *i.e.*, GX-I7 or Hyleukin covered by valid claims of the Hyleukin Patents listed in Exhibit A.

"**Licensed Product**" means a long-acting (efineptakin alpha – Source: International Non-proprietary Name) IL-7 cytokine designated as GX-I7 or Hyleukin covered by valid claims of the Hyleukin Patents listed in Exhibit A. For the avoidance of doubt, the term "Licensed Product" does not include hyFc Platforms.

"**Net Sales**" means the gross amount invoiced by I-Mab, and its Affiliates and sub-licensees to unrelated third parties for sales of the Licensed Product in the applicable Territory, less the following deductions to the extent included in the gross invoiced sales price for the Product or otherwise directly paid or incurred by I-Mab, and its Affiliates and sub-licensees, with respect to sales of the Licensed Product in the applicable Territory:

a) trade, quantity and cash discounts allowed;

b) discounts, refunds, rebates, chargebacks, retroactive price adjustments, and any other similar allowances which effectively reduce the net selling prices (but excluding sales force commissions) in accordance with PRC GAAP and the laws of the applicable jurisdictions;

c) freight expense (actual), including insurance, to the extent it is not charged to or reimbursed by the customer;

d) compulsory payments and rebates directly related to the sale of the Product paid to a governmental authority pursuant to governmental regulations by reason of any national or local health insurance program or similar program;

e) product returns and allowances; and

f) taxes (including, VAT, excise, consumption, sales and similar taxes and customs duties) to the extent actually incurred, paid or collected and remitted to the relevant tax authority (but specifically excluding, for clarity, any income taxes assessed against the income arising from such sale).

"Product Data" means all research data, pharmacology data, preclinical data, clinical data and/or all regulatory filings and/or other regulatory documentation, information and submissions pertaining to, or made in association with a CTA, new drug application, or marketing approval, for the Licensed Product, resulting from the development activities conducted by or under the authority of a Party (including, patient report form and other original source data), in each case to the extent controlled by such Party during the term of this Agreement.

"**Territory**" means the People's Republic of China (PRC), Taiwan, Hong Kong and Macau.

"**Technical Documentation**" means complete, correct and effective documents and electronic media embodying the Licensed Intellectual Properties furnished to I-Mab by Genexine in accordance with this Agreement, a list of the Technical Documentation is as attached hereto as Exhibit B.

"**Therapeutic Indication**" means treatment of all cancers within the field of Oncology.

1.2 Any reference in this Agreement to "writing" includes electronic mail, facsimile transmission, telex, cable or comparable means of communication.

1.3 The headings in this Agreement are for convenience only and shall not affect its interpretation.

2. LICENSE OF INTELLECTUAL PROPERTIES

2.1 Subject to the terms and conditions hereof, Genexine hereby grants to I-Mab for the term of this Agreement an exclusive, sublicensable (subject to Article 2.5), transferable (subject to prior written consent of Genexine, such consent shall not be unreasonably withheld) license in the Territory to use and otherwise exploit the Licensed Intellectual Properties and any Improvements (not including Improvements to the hyFc Platform technology that is not applicable to the Licensed Product) developed or acquired by Genexine and licensed to I-Mab in accordance with Article 5.1, in connection with the Licensed Product for the Therapeutic Indication (the "**License**").

2.2 The License hereunder shall be limited to engaging in pre-clinical/clinical development, manufacturing, sale and distribution of the Licensed Product. For clarity, Genexine has the right to license the Platform Patents to a third party in the Territory, *provided, however, that*, I-Mab shall be the sole and exclusive licensee in the Territory to use and otherwise exploit the Licensed Intellectual Properties to engage in pre-clinical/clinical development, manufacturing, sale and distribution of the Licensed Product for the Therapeutic Indication. Use of the Licensed Intellectual Properties by I-Mab shall be subject to confidentiality restrictions on its use and disclosure as set forth herein. Other than what is necessary to enable I-Mab to perform pre-clinical/clinical development, manufacturing, sale and distribution of the Licensed Product for the Therapeutic Indication within the Territory, I-Mab shall not perform such licensed activities outside of the Territory without Genexine's prior written consent. Except as expressly set forth in this Agreement, nothing in this Agreement shall be deemed to grant, directly or by implication, estoppel or otherwise, any license or rights of any kind to I-Mab.

2.3 I-Mab hereby covenants and agrees that it shall not, directly or indirectly, develop, manufacture or sell any Licensed Product outside the Territory. I-Mab shall take reasonable efforts to prevent export of the Licensed Product outside the Territory and to avoid selling the Licensed Product to a customer who desires to purchase the Licensed Product for sale outside of the Territory.

2.4 Genexine hereby covenants and agrees that it shall not grant any license or rights of any kind in any of the Licensed Intellectual Properties to any third party for the purpose of use, marketing, offer, distribution, sale, research, development or manufacture of the Licensed Product for the Therapeutic Indication in the Territory without prior consent of I-Mab. Genexine shall ensure that neither Genexine nor its Affiliates shall, directly or indirectly, develop, manufacture or sell any Licensed Product in the Territory. Genexine shall take reasonable efforts to prevent export of the Licensed Product from outside the Territory into the Territory and to avoid selling the Licensed Product to a customer who desires to purchase the Licensed Product for sale in the Territory.

2.5 The License is sublicensable by I-Mab in the Territory, provided that such sublicense (including have-made right) shall require written consent of Genexine, which consent cannot be unreasonably withheld, and subject to all of the restrictions and obligations of I-Mab set forth herein. Notwithstanding the foregoing, I-Mab may grant sublicenses under the Licensed Intellectual Properties without Genexine's prior written consent only to I-Mab's Affiliates or any third party acting solely as contract manufacturer or contract research organization for I-Mab. For clarity, I-Mab shall be entitled to license its rights in Improvement within the Territory as long as it is not inconsistent with an exclusive license granted to Genexine outside of the Territory. I-Mab shall timely provide all major (including financial) terms of the intended sublicense for Genexine's review and consideration upon request from Genexine. In any case, all sublicenses shall oblige the sublicensee to comply with all the terms of this Agreement (except those provisions that, by their clear meaning, are not applicable to a sublicensee), and I-Mab shall remain liable to Genexine for all acts and omissions of any such sublicensee. I-Mab shall continue to have the payment obligations under this Agreement including milestones and royalties unless the sublicense agreement obliges the sublicensee to pay milestones and royalties directly to Genexine in which case I-Mab's milestones and royalties payable under this Agreement will be reduced to the same extent.

2.6 If all or any part of any Licensed Intellectual Properties becomes invalid and such invalidity is not due to a breach of the relevant representations, warranties and covenants made by Genexine in this Agreement, during the term of this Agreement, this Agreement shall remain effective with respect to any other Licensed Intellectual Properties that is not invalid. In this event, during the term of this Agreement, I-Mab continues to be obliged to pay the licensing fees mutually agreed between the Parties in this Agreement in consideration of the License to use the Licensed Intellectual Properties (including know-hows, data and information) as granted hereunder.

2.7 I-Mab hereby grants to Genexine for the term of this Agreement an exclusive, sublicensable, royalty free license to use and otherwise exploit any Improvement I-Mab develops and acquires outside the Territory.

3. FEES AND ROYALTIES

3.1 Payment for License. Within thirty (30) days after the signing of this Agreement, I-Mab shall pay a sum of **US$12,000,000** to Genexine as the license fees in connection with the License subject to the terms and conditions provided herein.

3.2 Development Milestone Payments. I-Mab shall pay development milestone fees, as follows, to Genexine conditioned upon the Licensed Product reaching the following development milestones within sixty (60) days after each milestone event:

	Milestone Event	**Milestone Payment**
1st	First-in-time completion of Phase II Clinical Study in any country in the Territory (i.e. upon submission of the CSR to the relevant regulatory authority)	**US$5 million**
2nd	First-in-time completion of Phase III Clinical Study in any country in the Territory (i.e. upon submission of the CSR to the relevant regulatory authority)	**US$8 million**
3rd	First-in-time receiving of the NDA or BLA approval from the relevant regulatory authority of any country in the Territory with respect to Therapeutic Indications	**US$10 million**

* (1) If a milestone event described above in the table will not occur due to cancellation or omission of a clinical study of any phase, such milestone event shall be deemed reached at the same time as the next milestone event, and the corresponding milestone payment shall be payable when the next milestone payment becomes due.

(2) For clarity, if there are several Therapeutic Indications, I-Mab shall only pay development milestone fees for the first Therapeutic Indication, and I-Mab shall not pay any development milestone fees for the subsequent Therapeutic Indications in any country in the Territory.

3.3 Sales Milestone Payments and Royalties.

(a) Sales Milestone Payments. I-Mab shall pay five-time milestone fees for the Licensed Product, as follows, to Genexine conditioned upon the Licensed Product reaching the following sales milestones within sixty (60) days after each milestone event:

Accumulated Net Sales	Milestone Payment
US$100 million	**US$5 million**
US$200 million	**US$20 million**
US$500 million	**US$50 million**
US$1000 million	**US$150 million**
US$2000 million	**US$300 million**

(b) Royalties. I-Mab shall pay a royalty of three percent (3%) to Genexine in respect of the total annual Net Sales of the Licensed Product during the term of this Agreement defined in Article 15.1. All royalties shall be paid within sixty (60) days after the end of each financial year for the respective total annual Net Sales of the Licensed Product.

3.4 Late Payment.

In the event that I-Mab fails to make payments by the due dates set forth in this Article 3, I-Mab shall pay Genexine a late payment fee amounting to one percent (1%) interest rate per month charged on the amount due for each day of delay.

3.5 Generic Entry.

The Development Milestone Payment, Sales Milestone Payment, and Royalties provided in Articles 3.2 and 3.3 shall be reduced by 50% following the entry of a generic product with respect to the Licensed Product in the Territory without the consent or authorization of I-MAB or any of its sublicensees.

4. **JOINT DEVELOPMENT COMMITTEE.**

4.1 Within thirty (30) days after the effective date of this Agreement, each Party shall appoint (and notify the other Party of the identity of) an alliance manager. Each Party may, at any time, replace its alliance manager with another suitably qualified individual, on written notice to the other Party. The alliance managers shall be primarily responsible for facilitating communications between the Parties and coordinating the Parties' activities under this Agreement.

4.2 The Parties shall establish a joint development committee to oversee the development and commercialization activities, including but not limited to discuss and make decisions with respect to the manufacturing of the Licensed Product for clinical supply in accordance with the I-Mab development plan, under this Agreement (the "**Joint Development Committee**" or **"JDC"**). The Joint Development Committee shall be composed of four members with the equal number of persons from each Party who are with appropriate seniority and functional expertise. Any decisions of the JDC shall be determined by a majority vote by the JDC members present at a meeting. The minimum quorum for a JDC meeting shall be two-third (2/3) of members who must be present for the entire meeting. If the JDC cannot reach consensus within two (2) weeks on any issue that comes before the JDC, then the Parties shall immediately refer such matter to the Chief Executive Officers at I-Mab and Genexine for resolution. In the event of a dispute between I-Mab and Genexine that cannot be resolved within two (2) weeks by the Chief Executive Officers with respect to matters concerning the research and development of Licensed Product, I-Mab shall have the final decision-making authority. Notwithstanding the foregoing, I-Mab shall have day-to-day operational control over the development, manufacture and commercialization of the Licensed Product, provided that I-Mab conducts such activities in accordance with the terms and conditions of this Agreement.

4.3 The JDC shall hold meetings at such times as it elects to do so, but in no event shall such meetings be held less frequently than once every month. Meetings of the JDC may be held in person, by audio or video teleconference; provided that at least one (1) meeting per year of the JDC shall be held in person. In-person JDC meetings shall be held at locations selected alternatively by the Parties. Each Party shall be responsible for all of its own expenses of participating in the JDC. No action taken at any meeting of the JDC shall be effective unless representatives of both Parties are participating.

4.3 Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend the JDC meetings in a non-voting capacity; provided that such participants shall be bound by confidentiality and non-use obligations consistent with the terms of this Agreement and that each Party shall provide prior written notice to the other Party if it has invited any third party (including any consultant) to attend such a meeting.

5. **IMPROVEMENTS**

5.1 During the term of this Agreement, if Genexine develops or acquires any Improvements, it shall own such Improvements and provide I-Mab details of the Improvements, whether patentable or not, and grant to I-Mab an exclusive license (with a right to sublicense) to use the Improvements in the Territory. For the avoidance of any doubt, the scope of Improvements Genexine may license to I-Mab under this Article is limited to Improvements to the Licensed Product and does not include Improvements to the hyFc Platform technology that is not applicable to the Licensed Product.

5.2 During the term of this Agreement, if I-Mab develops or acquires any Improvements, it shall own such Improvements and provide Genexine details of the Improvements, whether patentable or not, and grant to Genexine an exclusive license (with a right to sublicense) to use the Improvements free of charge anywhere outside the Territory. For the avoidance of any doubt, the scope of Improvements I-Mab may license to Genexine under this Article is limited to Improvements to the Licensed Product and does not include anything that is not applicable to the Licensed Product.

5.3 For avoidance of doubt, any use of the Improvements in the Territory by I-Mab based on Articles 5.1 above shall be subject to the same payment obligations (Sales Milestones and Royalties) as I-Mab is obliged to pay under Article 3.3 with respect to the Licensed Product.

5.4 If any Improvements developed or acquired by either party are partially or completely funded and/or conducted by a third party strategic partner, or any third party proprietary information is involved in the studies and/or trials including but not limited to a combination study with other product(s), the Improvements from such studies and/or trials shall only be shared with the other party subject to the prior written consent of such third party. The party who developed or acquired such Improvements shall make good faith efforts to obtain such prior written consent from such third party to share the Improvements with the other party.

6. **EXCHANGE OF PRODUCT DATA**

6.1 The Parties shall, subject always to approval by the JDC, share with each other the Product Data generated or attained during the term of this Agreement for use in the product development and commercialization of the Licensed Product within the Territory for I-Mab or outside the Territory for Genexine in English along with their original language versions if they are not written in English.

6.2 If any such Product Data generated or attained by either party are partially or completely funded and/or conducted by a third party strategic partner, or any third party proprietary information is involved in the studies and/or trials including but not limited to a combination study with other product(s), the Product Data from such studies and/or trials shall only be shared with the other party subject to the prior written consent of such third party. The party who generated or attained such Product Data shall make good faith efforts to obtain such prior written consent from such third party to share the Product Data with the other party.

7. SALE OF LICENSED PRODUCT

The Licensed Product which is approved for sale by the relevant regulatory authority(ies) (e.g., China Food and Drug Administration (CFDA)) may be sold in the Territory and I-Mab shall be responsible for obtaining all necessary regulatory approvals and complying with regulations applicable to the Licensed Product.

8. BOOKS AND RECORDS

8.1 I-Mab shall keep complete and proper records and books of account showing the Net Sales, quantity and description of the Licensed Product sold by it, including accounting receipts and monthly and quarterly accounting statements in accordance with the relevant regulations of the Territory.

8.2 Such records and books of account shall be kept separate from any books and records which are not related to the Licensed Product and shall be open to inspection by Genexine or its duly authorised representatives or agents.

8.3 I-Mab shall permit Genexine (or its representatives) at Genexine's expense to inspect, audit and investigate at all reasonable times the books, accounts, records, audit reports, documents and other matters of I-Mab relating to the production and sale of the Licensed Product. Such inspections, audits and investigations shall be conducted in such a manner and at such times so as not to adversely affect the operation of I-Mab or the sale of the Licensed Product and the results thereof shall be kept confidential. Such inspections, audits, and investigations shall be conducted no more often than twice a year, and Genexine should give I-Mab reasonable advance notice prior to conducting such inspections, audits, and investigations.

8.4 If any inspection under Article 8.3 reveals an underpayment by I-Mab of the total amount payable by I-Mab to Genexine hereunder with respect to any period in question for more than 10%, then I-Mab shall reimburse Genexine for the cost of such audit and pay the deficiency immediately with interest at one percent (1%) per month.

9. TAX

Each Party shall (i) bear the cost of all stamp duty, income taxes and duties are legally required to be paid by it as a result of the transaction contemplated by this Agreement, and (ii) shall comply with all tax reporting and withholding obligations as applicable to it in connection with transactions contemplated by this Agreement as required by all applicable laws.

10. **TECHNICAL DOCUMENTATION**

10.1 Within thirty (30) days after the date of this Agreement, Genexine shall provide I-Mab free of charge with one set of all Technical Documentation that are reasonably necessary for I-Mab's use and exploitation of the Licensed Intellectual Properties in order to enable I-Mab to perform the licensed activities herein. A list of the Technical Documentation is attached hereto as Exhibit B. Upon receipt of any such Technical Documentation, I-Mab shall promptly deliver to Genexine a written acknowledgment of receipt thereof and shall comply with the confidentiality provisions in this Agreement to protect the confidentiality of such Technical Documentation.

10.2 Genexine shall use all reasonable endeavours to ensure that the Technical Documentation shall be readable, complete and accurate. I-Mab shall notify Genexine in writing within six (6) months after receipt thereof if any of the Technical Documentation is not readable, complete or accurate and Genexine shall correct or replace the defective portions of the Technical Documentation free of charge to I-Mab. In the absence of a written notice from I-Mab to Genexine within the six (6) months period, the Technical Documentation in question shall be deemed to have been approved and accepted by I-Mab.

11. **MATERIALS**

I-Mab may source raw materials, ingredients and other components for the production of the Licensed Product, provided that the manufacturing of the Licensed Product by using these raw materials, ingredients and components shall meet the technical specifications and standards of Genexine.

12. **CONFIDENTIALITY**

12.1 I-Mab shall, during the term of this Agreement and after its termination or expiration for any reason, keep confidential and not make use of for any purpose other than the performance of its obligations under this Agreement, nor disclose to any other person otherwise than in accordance with Article 12.2 or with the prior written consent of Genexine, anything of the Licensed Intellectual Properties, including but not limited to, information contained in the Technical Documentation, Improvements, Product Data and any other information disclosed (whether in writing, verbally or by other means) by or on behalf of Genexine. Without prejudice to the generality of this obligation above, I-Mab shall:

12.1.1 identify any and all of the Licensed Intellectual Properties so that it can be distinguished from its own information or documentation;

12.1.2 arrange proper and secure storage facilities for the Licensed Intellectual Properties and control and supervise access of its employees and personnel to such facilities;

12.1.3 mark and label all information contained in the Licensed Intellectual Properties and Technical Documentation relating to the Licensed Intellectual Properties "confidential";

12.1.4 disclose the Licensed Intellectual Properties only to its employees pursuant to Article 12.3;

12.1.5 prevent unauthorized access to or disclosure of the Licensed Intellectual Properties; and

12.1.6 not use, reproduce, transform or store any of the Licensed Intellectual Properties in any place that is externally accessible, whether it is in hardcopy or electronic form.

12.2 The foregoing obligations of non-use and non-disclosure shall not apply to:

12.2.1 information available to the public at the time when it is obtained or which subsequently becomes available to the public through no fault of I-Mab;

12.2.2 information which I-Mab can demonstrate was in its possession, as evidenced by written documents, at the time when it obtains such information from Genexine;

12.2.3 information properly conveyed to I-Mab after the disclosure by an independent and unrelated third party, which, third party disclosure was not under an obligation of confidentiality at the time of disclosure of the third party information; and

12.2.4 information required to be disclosed by law, provided that I-Mab promptly notifies Genexine of such requirement to enable Genexine the opportunity to oppose such requirement.

12.3 During the term of this Agreement I-Mab may disclose information which is confidential under Article 12.1 to its officers, directors, managers and employees, but only to the extent necessary for the purposes of this Agreement and provided such person has signed a confidentiality contract, in the form and substance satisfactory to the board of the directors of I-Mab.

12.4 I-Mab shall, at its own expense, take such steps as Genexine may require to enforce the terms of any confidentiality contract executed pursuant to Article 12.3 including, but not limited to, the initiation, prosecution and enforcement of any legal proceedings.

13. **CLAIMS AND INFRINGEMENTS**

13.1 I-Mab shall immediately notify Genexine of any claim, or any fact which may lead to a claim, of any nature by a third party that the use of the Licensed Intellectual Properties by I-Mab is or may be an infringement of a patent or other proprietary right of such third party, but shall take no action relating to such claim or infringement without Genexine's written consent. Genexine shall advise I-Mab whether it wishes to conduct a defense of any such claim. Should Genexine elect to conduct such a defense, it shall do so at its own expense, and Genexine shall have sole control of such defense either in its own name or in the name of I-Mab, as the case may be, and I-Mab shall give all reasonable assistance to Genexine to enable it to do so.

13.2 Genexine shall indemnify I-Mab and bear related costs for any claims, losses, damages, proceedings sustained by I-Mab in relation to any claims that may be made against I-Mab pursuant to Article 13.1, unless such claims, losses, damages, proceedings result from the default by I-Mab of its obligations under this Agreement or the use of Licensed Intellectual Properties by I-Mab otherwise than in accordance with this Agreement. Notwithstanding the above, the total and aggregate liability of Genexine shall not exceed an amount equal to the sum of (i) the payment received by Genexine pursuant to Article 3.1, (ii) any milestone payments actually received by Genexine pursuant to Articles 3.2 and 3.3 and (iii) any other payments received by Genexine pursuant to this Agreement.

13.3 I-Mab shall immediately notify Genexine of any information it obtains that any third party is or may be infringing the Platform Patents, but shall take no action relating to such infringement without Genexine's written consent. Genexine shall advise I-Mab whether it wishes to take action with respect to such infringement. Should Genexine elect to take action with respect to such infringement, it shall do so at its own expense, and Genexine shall have sole control of such action and I-Mab shall give Genexine all reasonable assistance to enable it to do so. All compensation which may be recovered shall be made to Genexine.

13.4 In the event that Genexine elects not to take action under Article 13.3, I-Mab shall be entitled to take action in relation to the relevant infringement at its own cost and expense, and Genexine shall give all reasonable assistance in connection therewith. All compensation which may be recovered shall be made to I-Mab. Notwithstanding the foregoing, I-Mab shall not enter into any compromise, settlement or agreement with any person or entities relating to the Platform Patents otherwise than with the written consent of Genexine.

13.5 Genexine shall immediately notify I-Mab of any information it obtains that any third party is or may be infringing the Hyleukin Patents, but shall take no action relating to such infringement without I-Mab's written consent. I-Mab shall advise Genexine whether it wishes to take action with respect to such infringement. Should I-Mab elect to take action with respect to such infringement, it shall do so at its own expense, and I-Mab shall have sole control of such action and Genexine shall give I-Mab Genexine all reasonable assistance to enable it to do so. All compensation which may be recovered shall be made to I-Mab.

13.6 In the event that I-Mab elects not to take action under Article 13.5, Genexine shall be entitled to take action in relation to the relevant infringement at its own cost and expense, and I-Mab shall give all reasonable assistance in connection therewith. All compensation which may be recovered shall be made to Genexine. Notwithstanding the foregoing, Genexine shall not enter into any compromise, settlement or agreement with any person or entities relating to the Hyleukin Patents otherwise than with the written consent of I-Mab.

13.7 Except as provided in this Agreement, Genexine shall have no responsibility for any claim with respect to licensed activities performed and the Licensed Product manufactured or distributed by I-Mab hereunder or arising from the use by I-Mab of the Licensed Intellectual Properties furnished by Genexine hereunder. I-Mab shall hold harmless and indemnify Genexine against any claim, loss or damage arising from claims by any third party with respect to any licensed activities performed and the Licensed Product manufactured or distributed by I-Mab hereunder unless such claim, loss or damage arises from or is attributable to the any of the representations, warranties or covenants of Genexine herein. In addition, in the event of technical problems of the Licensed Product as a consequence of any breach of warranty by I-Mab (including as a result of any failure by I-Mab to correctly apply any Licensed Intellectual Properties utilized by I-Mab for such Licensed Product), Genexine may require I-Mab to implement any necessary preventive and corrective measures and I-Mab shall comply with Genexine's advice as soon as reasonably practicable at I-Mab's own expense.

13.8 Notwithstanding anything to the contrary in this Article 13 or elsewhere in this Agreement, neither Party shall have any liability, whether arising in contract, tort (including negligence), strict liability, breach of warranty or any other theory of law, for any special, incidental, indirect or consequential loss or damage of any nature suffered by the other Party.

14. REPRESENTATIONS, WARRANTIES AND COVENANTS

14.1 Genexine hereby represents and warrants to I-Mab, that Genexine is the sole legal owner of the Licensed Intellectual Properties and has full power, right and authority to grant the License to I-Mab pursuant to this Agreement in the Territory and, to the knowledge of Genexine, any of the Licensed Intellectual Properties is free of liens, pledges or any other encumbrances in the Territory. To the knowledge of Genexine, there are no claims or investigations pending or threatened against any of the Licensed Intellectual Properties in the Territory. To the knowledge of Genexine, the license hereunder, the performance of the licensed activities, and the Licensed Product do not violate the relevant laws of the respective places of registration of the Parties or infringe any third party rights. The Licensed Intellectual Properties, and the relevant technical assistance, guidance and training, shall be sufficient to enable I-Mab to perform the licensed activities in accordance with all applicable specifications set forth in the Technical Documentation. During the term of this Agreement, Genexine shall maintain and protect the validity of the Licensed Intellectual Properties to the greatest extent permitted by the applicable laws. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, RESPECTING THIS AGREEMENT OR ANY LICENSED INTELLECTUAL PROPERTIES OR TECHNICAL DOCUMENTATION FURNISHED HEREUNDER BY GENEXINE.

14.2 Except as provided in this Agreement, nothing in this Agreement shall limit the rights of Genexine to use the Licensed Intellectual Properties anywhere in the world and I-Mab waives and disclaims any right or interest in the Licensed Intellectual Properties which may arise under any law or legal theory out of the permitted use hereunder.

14.3 Nothing in this Agreement shall:

14.3.1 constitute a sale, transfer or assignment of the Licensed Intellectual Properties to I-Mab, unless it is otherwise agreed in other agreements, contracts or arrangements;

14.3.2 give I-Mab any right, title or interest in or to the Licensed Intellectual Properties except the license to use in accordance with this Agreement;

14.3.3 give I-Mab any right to register or apply for registration of any of the Licensed Intellectual Properties (except this Agreement itself), whether in the Territory or elsewhere; or

14.3.4 diminish or affect the rights of Genexine to take legal action or obtain any other relief against any infringer of the Licensed Intellectual Properties in the Territory or elsewhere.

14.4 I-Mab agrees that it shall:

14.4.1 not register or make any application to register the Licensed Intellectual Properties or any part thereof in the name of I-Mab in the Territory or elsewhere, whether for copyright, patent right or any other registerable right (for avoidance of doubt, I-Mab is permitted to register the License granted hereunder pursuant to Article 2.9);

14.4.2 strictly adhere to all instructions or advice from Genexine regarding the use of the Licensed Intellectual Properties;

14.4.3 comply with intellectual property laws of the Territory and each of the jurisdictions where the Licensed Products are sold by I-Mab with respect to the use of the Licensed Intellectual Properties in such jurisdictions in order to preserve and maintain Genexine's rights in the Licensed Intellectual Properties;

14.4.4 inform Genexine of the imposition of any new laws or regulations or changes in laws or regulations imposed in the Territory during the term of this Agreement which affect performance by either I-Mab or Genexine under this Agreement;

14.4.5 maintain and protect the validity of the Licensed Intellectual Properties to the greatest extent permitted by the applicable laws and shall not assign the Licensed Intellectual Properties to its Affiliate or any third party without Genexine's prior written consent; and

14.4.6 not contest, infringe or harm any right which Genexine or any affiliate of Genexine may have in Licensed Intellectual Properties, whether in the Territory or elsewhere.

15. TERM AND TERMINATION

15.1 This Agreement shall take effect upon execution by the Parties and shall, unless otherwise terminated according to Article 15.2 hereof, remain in full force and effect until the later of (i) the expiry of the last to expire patent specified in Exhibit A as of the date of execution of this Agreement that includes a valid claim for the Territory and that covers the composition of the Licensed Product or (ii) fifteen (15) years after the First Commercial Sale of the Licensed Product unless terminated earlier pursuant to this Agreement, except that termination shall not affect:

(a) the accrued rights and obligations of the Parties at the date of termination; and

(b) the continued existence and validity of the rights and obligations of the Parties under those articles which are designed to survive termination and any provisions of this Agreement necessary for the interpretation or enforcement of this Agreement.

15.2 Unless otherwise provided herein, this Agreement may be terminated:

15.2.1 by either Party giving notice to the other Party if the other Party has committed a material breach of this Agreement and such breach, if capable of remedy, has not been so remedied within sixty (60) days following receipt of such notice, unless otherwise provided herein;

15.2.2 by either Party giving notice to the other Party in the event that an event of Force Majeure continues for a period of six (6) consecutive months that causes I-Mab to cease the production and sale of the Licensed Product and the Parties have been unable to find an equitable solution pursuant to Article 19;

15.2.3 by either Party giving notice to the other Party if at any time during the term of this Agreement, any government of the Territory should require any material alteration or modification of the contractual rights or obligations of the Parties pursuant to this Agreement which has the effect of preventing the Parties from achieving their business objectives;

15.2.4 by either Party giving notice to the other Party if the other Party becomes bankrupt, or insolvent, or is the subject of proceedings or arrangements for liquidation or dissolution, or ceases to carry on business, or becomes unable to pay its debts as they become due;

15.2.5 by Genexine giving notice to I-Mab if I-Mab fails to use commercial reasonable effort to obtain regulatory approvals or other registrations necessary for sale or distribution of the Licensed Product in the Territory in accordance with a business plan and timeline approved by the Parties from time to time due to a reason attributable to I-Mab (i.e. due to fault or negligence of I-Mab) or ceases to pursue clinical development or product registration or to conduct licensed activities in a reasonable scale pursuant to an agreement by the Parties. It is expressly stated that such termination events shall include, among others, (a) the first Development Milestone specified in Article 3.3(a) fails to be reached within seven (7) years after the signing of this Agreement, (b) the second Development Milestone specified in Article 3.2 fails to be reached within ten (10) years after the signing of this Agreement and (c) I-Mab fails to commercially launch the Licensed Product in the Territory within twelve (12) years after the signing of this Agreement; or

15.2.6 by mutual agreement of the parties.

15.3 In case this Agreement is terminated by Genexine pursuant to Articles 15.2.1, 15.2.2, 15.2.4 or 15.2.5, or by I-Mab pursuant to Article 15.2.3, I-Mab shall not, and shall ensure that its Affiliates shall not, develop, manufacture, market, promote, sell, offer for sale, distribute or otherwise make available (or contract with a third party to do any of the foregoing) any Competing Product for a period of seven (7) years after any such termination.

15.4 Upon termination of this Agreement for whatever reason, I-Mab shall immediately cease to use the Licensed Intellectual Properties as provided by Genexine and shall cease to manufacture or sell the Licensed Product. I-Mab shall cooperate with Genexine in de-registration of the License hereunder with the competent authorities.

15.5 Upon termination of this Agreement for whatever reason, Genexine may, at its sole discretion, choose to buy at I-Mab's initial purchase price any quantities of the Licensed Product or parts thereof remaining in I-Mab's inventory (which are in good condition for sale to customers and already approved for sale by the China Food and Drug Administration which are not subject to delivery under a sale to customers.

15.6 Upon expiration or termination of this Agreement, all amounts then due and unpaid to Genexine by I-Mab hereunder, as well as all other amounts accrued but not yet payable to Genexine by I-Mab, shall forthwith become due and payable by I-Mab to Genexine. However, in the event that this Agreement is terminated by I-Mab as a result of Genexine's material breach of this Agreement and I-Mab has raised claims against Genexine due to such breach, the aforesaid payment will be suspended until settlement of such claims pursuant to Article 19 hereof.

15.7 All Licensed Intellectual Properties, including the Improvements and the Technical Documentation relating to the Licensed Intellectual Properties as provided by Genexine, recorded in any material form including but not limited to any written records shall be returned by I-Mab to Genexine forthwith upon the termination or expiration of this Agreement. I-Mab agrees on behalf of itself and its employees that no copies of the Licensed Intellectual Properties in any material form or of the Technical Documentation relating to the Licensed Intellectual Properties shall be made or retained upon and after the termination or expiration of this Agreement.

15.8 Upon termination, I-Mab agrees to permit Genexine and its representatives to inspect the records and accounts of I-Mab and to investigate generally all business transactions carried on by I-Mab under and pursuant to this Agreement for a period of twelve (12) months following the last sale of the Licensed Product, and I-Mab agrees not to destroy any of such records prior to the expiration of such twelve (12) month period.

16. INDEPENDENT CONTRACTORS

The Parties are independent contractors, and nothing in this Agreement shall be construed to constitute either Party to be the agent, partner, legal representative, attorney or employee of the other for any reason whatsoever. Neither Party shall have the power or authority to bind the other except as specifically set out in this Agreement.

17. FORCE MAJEURE

17.1 "**Force Majeure**" means all events which are beyond the control of the Parties to this Agreement, and which are unforeseen, or if foreseen, unavoidable, and which prevent total or partial performance by either Party. Such events shall include but are not limited to any lockouts, explosions, shipwrecks, acts of nature or the public enemy, fires, flood, sabotage, accidents, strikes, wars, riots, insurrections, and any other similar contingency.

17.2 If an event of Force Majeure occurs, to the extent that any contractual obligation of either Party cannot be performed as a result of such event, such contractual obligation shall be suspended while the Force Majeure subsists and the due date for performance thereof shall be automatically extended, without penalty, for a period equal to such suspension.

17.3 The Party encountering Force Majeure shall, within fifteen (15) days of the relevant event, notify the other Party and furnish valid proof of the occurrence of such Force Majeure. Within a reasonable period thereafter that Party shall provide the other Party with evidence of the Force Majeure issued by a relevant agency. The Party encountering Force Majeure shall also use all reasonable endeavours to minimize the consequences of such Force Majeure.

17.4 In the event of Force Majeure, the Parties shall immediately consult with each other in order to mutually agree an equitable solution (which may involve early termination of this Agreement a part thereof or extension of the term of this Agreement) and shall use all reasonable endeavours to minimize the consequences of such Force Majeure.

18. LIABILITY FOR BREACH AND INDEMNIFICATION

18.1 I-Mab shall indemnify and hold Genexine harmless against all losses, liabilities, costs, claims, actions, damages, expenses or demands, which Genexine may incur, or which may be made against Genexine as a result of or in relation to any breach by I-Mab of its obligations under this Agreement or arising out of any improper use of the Licensed Intellectual Properties by I-Mab.

18.2 Genexine shall indemnify and hold I-Mab harmless against all losses, liabilities, costs, claims, actions, damages, expenses or demands, which I-Mab may incur, or which may be made against I-Mab as a result of or in relation to any breach by Genexine of its obligations under this Agreement, including but not limited to any breach of Genexine's representations, warranties and covenants made in Article 13.1. Notwithstanding the above, the total and aggregate liability of Genexine under this Agreement shall not exceed an amount equal to the sum of (i) the payment received by Genexine pursuant to Articles 3.1, (ii) any milestone payments of any corresponding product actually received by Genexine pursuant to Article 3.2 and 3.3 and (iii) any other payments received by Genexine pursuant to this Agreement.

19. **SETTLEMENT OF DISPUTES**

All disputes arising out of or in connection with this Agreement shall be submitted to the Singapore Mediation Procedure of the Singapore Mediation Centre for the time being in force. The Parties agree to participate in the mediation and undertake to abide by the terms of any settlement reached. If contrary to expectation, no amicable settlement can be reached, both Parties hereto agree to submit to Arbitration under the Rules of the Singapore International Arbitration Centre by one (1) arbitrator appointed in accordance with the said Rules. The arbitrator shall have the authority to grant injunctive relief or other specific performance. Hearings shall be conducted in English and shall take place in Singapore at Singapore International Arbitration Centre. Notwithstanding any other provision of this Agreement, the Parties may seek an injunctive relief or any other form of equitable relief in any court of competent jurisdiction.

20. **ASSIGNMENT**

20.1 Neither Party may assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of the other Party, except Genexine shall be entitled to assign or transfer its rights and obligations under this Agreement to any of its Affiliates or to any third party which succeeds to the business of Genexine, whether through stock or asset sale, merger, reorganization or otherwise, provided that I-Mab shall be notified by Genexine of such assignment or transfer in writing and such successor succeeds to Genexine's rights in the Licensed Intellectual Properties and shall agree in writing to assume the rights and obligations of Genexine under this Agreement.

20.2 This Agreement is binding upon and is made for the benefit of the Parties and their successors and permitted assignees.

20.3 I-Mab shall continue to be bound by the rights and obligations under this Agreement regardless of any change of control in I-Mab whether through stock or asset sale, merger, reorganization or otherwise and promptly notify Genexine of such change of control in writing.

21. **NOTICES**

Any notices to be given under this Agreement shall be in writing and deemed delivered when received by the Party to whom it is addressed, and receipt shall be evidenced by (i) the written receipt of the receiving Party or the affidavit from the delivering person, if hand delivered, confirming delivery or refusal of delivery by the addressee, (ii) the signed returned receipt or other written proof of delivery if delivered by registered air or express mail (return receipt requested) or by an internationally recognized courier service, or (iii) electronic proof of transmission if sent by fax or telex, provided that any notice sent by fax or telex shall also be sent by registered air or express mail (return receipt requested) or internationally recognized courier service. Notices shall be given to the relevant Party at the addresses set forth below:

I-Mab:

Address: ***

Attention: ***

Telephone: ***

Fax: ***

E-mail: ***

Genexine:

Address: ***

Attention: ***

Telephone: ***

Fax: ***

E-mail: ***

22. **MISCELLANEOUS**

22.1 I-Mab shall observe and comply with all laws, rules and regulations applicable to the manufacture, packaging, storage, handling, advertising, marketing and sale of the Licensed Product in the Territory. I-Mab shall, at its own cost and expense, secure and maintain all necessary governmental permits, licenses and approvals, and will fulfil all other requirements and undertakings related to this Agreement which are or may become necessary under any law or regulation, to enable the Parties to exercise, enforce and enjoy all of the rights and obligations contained in this Agreement.

22.2 Failure or delay on the part of either Party to exercise any right, power or privilege hereunder, or any other contract relating hereto, shall not operate as a waiver thereof, nor shall the partial exercise of any right, power or privilege preclude any other future full and complete exercise thereof.

22.3 The validity, interpretation and implementation of this Agreement shall be governed by and construed in accordance with the laws of Singapore without regard to its conflict of laws provisions.

22.4 Should any Article or any part of any Article contained in this Agreement be declared invalid or unenforceable for any reason whatsoever, all other Articles or parts of Articles contained in this Agreement shall remain in full force and effect.

22.5 This Agreement and all documentation executed in connection therewith shall constitute the entire agreement between the Parties with respect to the subject matter and shall automatically cancel and supersede any and all prior oral understandings with respect thereto, unless such understandings are memorialized in writing contemporaneous with the signing of this Agreement.

22.6 This Agreement may be amended only by a written instrument signed by the Parties.

22.7 This Agreement shall be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. If any signature is delivered by e-mail delivery of a "PDF" format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such "PDF" signature page were an original thereof.

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IN WITNESS WHEREOF each of the Parties hereto has caused this Agreement to be executed by its duly authorised representative on the date first set forth above.

I-MAB
(official chop)

/s/ I-MAB

GENEXINE, INC.

/s/ GENEXINE, INC.

EXHIBIT A
LIST OF LICENSED INTELLECTUAL PROPERTIES

[***]

EXHIBIT B
TECHNICAL DOCUMENTATION

[***]

Exhibit 10.16

FERRING INTERNATIONAL CENTER SA

and

I-MAB

LICENSE AND SUBLICENSE AGREEMENT

INDEX

THIS LICENSE AND SUBLICENSE AGREEMENT (this "Agreement") is effective as of 4th of November 2016 (the "Effective Date"), and is by and between **FERRING INTERNATIONAL CENTER SA,** a company organised and existing under the laws of Switzerland and having its principal place of business at *** ("Ferring") and **I-MAB,** a company organised and existing under the laws of Cayman Islands and having its principal place of business at ***, ("I-MAB"). Each party individually may be referred to herein as a "Party" and collectively both parties may be referred to herein as the "Parties."

PREAMBLE

WHEREAS, Ferring has an exclusive license to certain Sublicensed Intellectual Property (as later defined herein) and has the right to grant sublicenses under the Sublicensed Intellectual Property with respect to the Licensed Compound and the Licensed Product (each as later defined herein);

WHEREAS, Ferring also possesses certain Ferring Intellectual Property and Know-How (as later defined herein) and has the right to grant licenses to the Ferring Intellectual Property and Know-How with respect to the Licensed Compound and the Licensed Product; and

WHEREAS, Ferring wishes to grant to I-MAB, and I-MAB wishes to accept, a license or a sublicense to its interests in the Ferring Intellectual Property and Sublicensed Intellectual Property, respectively, and a license to its Know-How to research, commercially develop, make, have made, import, use, sell, dispose of, offer to sell or dispose of the Licensed Product through a diligent program of exploiting the Ferring Intellectual Property and Sublicensed Intellectual Property and Know-How in the Territory and Optional Territory (if applicable) in accordance with the terms and conditions set forth below.

NOW THEREFORE, in consideration of the covenants and obligations expressed below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. DEFINITIONS

For the purpose of this Agreement, the following words and phrases shall have the following meanings:

1.1 **"I-MAB Improvements"** means any and all changes, developments, enhancements, modifications, additions, or improvements to the Sublicensed Intellectual Property and/or Licensed Ferring Intellectual Property and Know-How made by or on behalf of I-MAB or its Affiliates or Sub-licensees or Sub-Sublicensees.

1.2 **"I-MAB IP"** means Know-How and Intellectual Property that is conceived, discovered, developed or otherwise made by or on behalf of I-MAB or its Affiliates or its Sub-licensees or Sub-Sublicensees under, or in connection with, this Agreement or otherwise related to the Licensed Compound or Licensed Product. I-MAB IP shall include I-MAB Improvements.

1.3 **"Adverse Event"** means any untoward medical occurrence in a patient or an investigation subject who has been administered the Licensed Product and which does not necessarily have to have a causal relationship with the exposure or use of the Licensed Product. For purposes of this Agreement, Adverse Event includes all noxious and unintended response or symptom to the Licensed Product related to any dose of the Licensed Product, and any adverse reaction, the nature or severity of which is inconsistent with the applicable Licensed Product information.

1.4 **"Affiliate"** means, with respect to a Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person. For purposes of this definition, **"control"** and, with correlative meanings, the terms **"controlled by"** and **"under common control with"** means: (a) the possession, directly or indirectly, of the power to direct the management or policies of a business entity, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise; or (b) the ownership, directly or indirectly, of more than 50% of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity).

1.5 **"Applicable Law"** means any and all applicable laws, statutes, orders, rules, regulations, directives and guidelines that have legal effect, whether local, national, international or otherwise, existing from time to time, including any rules, regulations, guidelines or other requirements of the Regulatory Authorities.

1.6 **"Business Day"** means a day, other than a Saturday, Sunday, or public holiday on which banking institutions are not authorized or required to close in China.

1.7 **"Calendar Quarter"** means each successive period of three calendar months commencing on January 1, April 1, July 1 and October 1.

1.8 **"Calendar Year"** means each successive period of 12 calendar months commencing on January 1 and ending on December 31.

1.9 **"CFDA"** means the China Food and Drug Administration.

1.10 **"China"** or "PRC" means the People's Republic of China, which, for purposes of this Agreement, excludes the Hong Kong Special Administrative Region **("Hong Kong"),** the Macau Special Administrative Region, and Taiwan.

1.11 **"Clinical Data"** means all data, reports and results with respect to the Licensed Compound and the Licensed Product made, collected or otherwise generated under, or in connection with, the Clinical Studies.

1.12 **"Clinical Studies"** or **"Clinical Study"** means human clinical trials for the Licensed Product and any other tests and studies for the Licensed Product in human subjects.

1.13 **"Commercialization"** means, with respect to the Licensed Product, any and all activities (whether before or after Regulatory Approval) directed to the marketing, promotion, distribution and sale of the Licensed Product in the Field in the Territory or the Optional Territory (if applicable) after Regulatory Approval for commercial sale has been obtained, including pre-launch and post-launch marketing, promoting, distributing, offering to commercially sell and commercially selling the Licensed Product, importing, exporting or transporting the Licensed Product for commercial sale, conducting Clinical Studies that are not required to obtain or maintain Regulatory Approval for the Licensed Product for an indication, which may include epidemiological studies, modeling and pharmacoeconomic studies, post-marketing surveillance studies, investigator sponsored studies and health economics studies and regulatory affairs (including interacting with Regulatory Authorities) with respect to the foregoing. When used as a verb, **"Commercializing"** means to engage in Commercialization and **"Commercialize"** and **"Commercialized"** shall have corresponding meanings.

1.14 **"Development"** means, with respect to the Licensed Product and Licensed Compound, all activities related to research, preclinical and other non-clinical testing, test method development and stability testing, toxicology, formulation, Manufacture Process Development, Clinical Studies, including Manufacturing in support thereof (but excluding any commercial Manufacturing), statistical analysis and report writing, the preparation and submission of Drug Approval Applications, regulatory affairs with respect to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining a Regulatory Approval for such Licensed Product. When used as a verb, **"Develop"** means to engage in Development.

1.15 **"Development Plan"** means the plan for the Development of the Licensed Product as described in Section 3.2, as updated from time to time pursuant to Section 3.2.

1.16 **"Dollars"** or "$" means the United States Dollars.

1.17 **"Drug Approval Application"** means: (i) the clinical trial application for new drugs (□□□□□□□□); (ii) the application for new drug certificate (□□□□□□); and (iii) the drug approval number application (□□□□□□□□), collectively, each as set forth in the PRC Pharmaceutical Administration Law, as may be amended from time to time (including all additions, supplements, extensions and modifications thereto), or any corresponding foreign application in the Territory or the Optional Territory (if applicable).

1.18 **"Effective Date"** means the date as of which this Agreement is effective which shall be the date first written above.

1.19 **"Exploit"** means, with respect to the Licensed Compound and/or the Licensed Product, to make, have made, import, use, sell or offer for sale, including to research, Develop, Commercialize, register, Manufacture, have Manufactured, hold or keep (whether for disposal or otherwise), have used, export within the Territory or Optional Territory (if applicable), transport, distribute, promote, market or have sold or otherwise dispose of the Licensed Product and **"Exploitation"** means the act of Exploiting the Licensed Product.

1.20 **"Ferring Improvements"** means any and all changes, developments, enhancements, modifications, additions, or improvements to the Sublicensed Intellectual Property and/or the Licensed Ferring Intellectual Property and Know-How made by or on behalf of Ferring or its Affiliates.

1.21 **"Ferring Intellectual Property"** means the patent applications (until such time as such applications or any of them are denied, abandoned or issued into patents) listed in Schedule B1 hereof and future patents and patent applications covering the Licensed Compound or Licensed Product, along with any future patents and patent applications including continuations, divisionals and reissues as part of patents and extensions thereof including supplementary protection certificates and their equivalent. Ferring Intellectual Property includes Ferring Improvements. Schedule B1 shall be updated from time-to-time to reflect any new Ferring Intellectual Property, including Ferring Improvements.

1.22 **"Field"** means any indication for medicinal use in humans, including rheumatoid arthritis.

1.23 **"First Commercial Sale"** means, with respect to the Licensed Product, the first sale by I-MAB, its Affiliates, Sublicensees or Sub-sublicensees, as applicable, to a Third Party of the Licensed Product in a country in the Territory or Optional Territory (if applicable) after all required marketing and pricing or reimbursement approvals have been granted by the applicable Regulatory Authority for such country.

1.24 **"Force Majeure"** means any significant unexpected event that is beyond the reasonable control of a Party for which such Party cannot reasonably have been expected to have taken account as of the Effective Date, which significantly delays the Development Program set out in Appendix B and including, but without prejudice to the foregoing generality, events resulting from an act of God, lightning, fire, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, strike, lock-out or other industrial disturbance, act of the public enemy, war declared or undeclared; threat of war; terrorist act; blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, prevention from or hindrance in obtaining any raw materials, energy or other supplies, explosion, fault or failure of plant or machinery (which could not have been prevented by good industry practice); government restraint, act of legislature or a directive or requirement of the competent authority affecting a Party or its subcontractor providing that such Party or its subcontractor's lack of funds shall not be interpreted as a cause beyond such Party's reasonable control.

1.25 **"IND"** means an Investigational New Drug Application submitted under the United States Federal Food, Drug, and Cosmetic Act, as amended, and the rules and regulations promulgated thereunder (the **"FD&C Act"),** or an analogous application or submission with any analogous agency or Regulatory Authority outside of the United States for the purposes of obtaining permission to conduct clinical trials.

1.26 "Information" means any and all

(a) information relating to the business affairs, finances or commercial interests of a Party which is disclosed pursuant to this Agreement in whatever form;

(b) Know-How;

(c) samples of Materials provided for testing;

(d) results of any tests performed with samples of Materials;

(e) such other written information whether provided in printed, hand-written, electronic or any other form, either Party deems confidential that is provided to the other Party in writing pursuant to this Agreement.

1.27 **"Intellectual Property"** means, collectively, all intellectual property rights (whether or not patented or patentable) related to the purpose of this Agreement including, but not limited to, algorithms, approvals, certifications, chemical compounds, conceptual expressions, copyrights, trademarks, data, designs, formulae, inventions, patents, patent rights, and prototypes.

1.28 **"Know-How"** means technical and other information of either Party that is not in the public domain, including information comprising or relating to concepts, discoveries, data, designs, formulae, ideas, information relating to Materials, inventions, methods, models, assays, research and/or development plans, procedures, designs for experiments and tests and results of experimentation and tests (including results of research or development), processes (including manufacturing processes, specifications and techniques), laboratory records, chemical, pharmacological, toxicological, clinical, analytical and quality control data, trial data, case report forms, data analyses, reports or summaries.

1.29 **"Korea"** means the Republic of Korea.

1.30 **"Licensed Compound"** means FE301, i.e., SGP130Fc fusion protein, an interleukin-6 inhibitor.

1.31 **"Licensed Know-How"** means the Know-How contained or disclosed in the documents set forth on Schedule A, but excluding any Know-How to the extent claimed or covered by published patents or patent applications of the Ferring Intellectual Property and Sublicensed Intellectual Property.

1.32 **"Licensed Product"** means all pharmaceutical formulations in finished packaged form containing the Licensed Compound covered by any patent or patent application as set out in Schedule B hereto and/or uses any other Ferring Intellectual Property or Sublicensed Intellectual Property or Know-How, for use in the Field.

1.33 **"Manufacture"** and "**Manufacturing**" mean, with respect to the Licensed Compound and Licensed Product, all activities related to the production, manufacture, processing, filling, finishing, packaging, labeling, shipping, holding, Manufacture Process Development, stability testing, quality assurance or quality control of the Licensed Product or any intermediate thereof.

1.34 "Manufacturing Process" means the process used to manufacture the Licensed Compound and the Licensed Product, including but not limited to the cell line that stably expresses the Licensed Compound, the process to grow the cell line in large scale incubators, the large-scale process to purify the Licensed Compound, and other activities provided in 1.32.

1.35 "Manufacture Process Development" means the process development, process qualification and validation and scale-up of the process to manufacture the Licensed Compound and Licensed Product and analytic development and product characterization with respect thereto.

1.36 "NDA" means a New Drug Application (which, for purposes of this Agreement, includes a Biologics License Application) submitted to the United States Food and Drug Administration or any successor agency thereto ("**FDA**") in accordance with the FD&C Act with respect to a pharmaceutical product (including all additions, supplements, extensions and modifications thereto), or any other analogous application or submission with any Regulatory Authority in the Territory or the Optional Territory (if applicable), including, with respect to China, a Marketing Authorization Application filed with the CFDA.

1.37 "Net Sales" means, for any period, the gross amount invoiced by I-MAB, its Sublicensees or any of its or their respective Affiliates for the sale of the Licensed Product (the "**Invoiced Sales**"), less deductions for: (a) normal and customary trade, quantity and cash discounts and sales returns and allowances, including those granted on account of price adjustments, billing errors, rejected goods, damaged goods and returns, and chargebacks; (b) freight, postage, shipping and insurance expenses to the extent that such items are included in the gross amount invoiced; (c) sales taxes and other governmental charges (including value added tax) to the extent billed separately on the invoice and actually paid in connection with the sale but only to the extent actually included in gross sales; and (d) rebates and similar payments made with respect to sales paid for by any Regulatory Authority. Any of the deductions listed above that involves a payment by I-MAB, its Sublicensees or any of its or their respective Affiliates shall be taken as a deduction in the Calendar Quarter in which the payment is accrued by such entity. The methodology for calculating (a) - (d), on a country-by-country basis, shall conform to International Financial Reporting Standards consistently applied by I-MAB. For purposes of determining the Net Sales, the Licensed Product shall be deemed to be sold when invoiced and a "sale" shall not include transfers or dispositions of the Licensed Product for pre-clinical or clinical purposes or as samples, in each case, whether supplied without charge or not.

In the case of pharmacy incentive programs, hospital performance incentive programs, chargebacks, disease management programs, similar programs or discounts on portfolio product offerings for the Licensed Product, all rebates, discounts and other forms of reimbursements shall be allocated on the basis on which such rebates, discounts and other forms of reimbursements were actually granted or, if such basis cannot be determined, in accordance with I-MAB's, its Sublicensees' or its or their respective Affiliates' existing allocation method.

I-MAB's or any of its Sublicensees' or its or their respective Affiliates' transfer of the Licensed Product to an Affiliate or Sublicensee shall not result in any Net Sales. In addition, Net Sales shall not include the sales of any Licensed Product to be used in clinical trials, for research or other non-commercial purposes, or supplied as commercial samples or as charitable or humanitarian donations (whether supplied without charge, at a substantial discount or otherwise).

1.38 **"Optional Territory"** means countries of North America (i.e., Canada, the United States and Mexico) and the European Union and Japan to be mutually agreed in writing by the Parties within thirty (30) days of receipt of notice from I-MAB that it wishes to exercize its option right to obtain an exclusive license to the Optional Territory, cf. Clause 2.2 below. For the purposes of this Agreement, the United Kingdom shall be considered a member state of the European Union, even if it exits the European Union during the Term.

1.39 **"Person"** means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.

1.40 **"Phase IB"** means an initial Clinical Study that assesses safety and tolerability, as well as the pharmacokinetic and pharmacodynamic responses of the Licensed Product at multiple doses in the Asian rheumatoid arthritis patient population, as further described in the Development Plan.

1.41 **"Phase II Clinical Trial"** means that certain Clinical Study, the principal purpose of which is to determine safety and efficacy of the Licensed Product in the target patient population or a similar clinical study prescribed by the Regulatory Authorities, from time to time, pursuant to Applicable Law or otherwise, including the Phase II clinical trial referred to in Article 31 of the Provisions for Drug Registration Administration, promulgated by the CFDA and as may be amended from time to time.

1.42 **"Phase IIA"** means that part of the Phase II Clinical Trial designed to assess dosing requirements and efficacy of the Licensed Product. For the purposes of this Agreement, **"completion of Phase IIA"** means that stage of the Phase II Clinical Trial when the efficacy of the Licensed Product as specified in the Development Plan has been observed and properly recorded.

1.43 **"Reasonable Commercial Efforts"** means with respect to the Development and Commercialization of the Licensed Product, the level of efforts and resources that are consistent to those efforts and resources commonly used by a similarly situated company in the pharmaceutical industry for comparable products with similar commercial and scientific potential at a similar stage in their lifecycle, taking into consideration their safety, efficacy, their cost to develop, the competitiveness of alternative products in or reasonably anticipated to enter the marketplace, their proprietary position, the likelihood of regulatory approval with appropriate and adequate labelling, their pricing, reimbursement, cost or productions, sales and marketing, any other reasonable commercial considerations and on a market by market basis.

1.44 **"Recognised Agent"** means a Third Party through which I-MAB regularly distributes and sells its products in the Territory or Optional Territory (as applicable) where I-MAB has no Affiliate and where sales of I-MAB products are a very minor proportion of total worldwide I-MAB sales.

1.45 **"Regulatory Approval"** means, with respect to the Licensed Product in a country in the Territory or the Optional Territory (as applicable), any and all approvals, licenses, registrations or authorizations of any Regulatory Authority necessary to commercially market, promote, distribute or sell the Licensed Product in such country, including, where applicable: (a) pricing or reimbursement approval in such country; (b) pre- and post-approval marketing authorizations (including any prerequisite Manufacturing approval or authorization related thereto); and (c) labeling approval.

1.46 **"Regulatory Authority(ies)"** means any national, multinational, state, provincial or local regulatory agency, department, bureau or other governmental entity with authority over the testing, manufacture, use, storage, import, promotion, marketing and sale of a therapeutic product in the Territory and/or Optional Territory (as applicable) necessary for the commercialization of the Licensed Product.

1.47 **"Regulatory Documentation"** means all: (a) applications (including all INDs and Drug Approval Applications), registrations, licenses, authorizations and approvals (including all Regulatory Approvals); (b) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all regulatory drug lists, advertising and promotion documents, Adverse Event files and complaint files; and (c) Clinical Data and any other data contained in any of the foregoing, in each of ((a), (b) and (c)), relating to the Licensed Product.

1.48 **"RMB"** means Renminbi, the official currency of the PRC.

1.49 **"Royalty Term"** means the period beginning on the date of First Commercial Sale in any country of the Territory and/or Optional Territory (as applicable) and expiring on a country by country basis: (i) fifteen (15) years from the date of launch; or (ii) on expiration of the last to expire patent rights of the Ferring Intellectual Property or Sublicensed Intellectual Property in the Territory and/or Optional Territory (as applicable) that includes a Valid Claim covering the development, making, using or selling of the Licensed Compound or Licensed Product, whichever is later.

1.50 **"Sublicensed Intellectual Property"** means the patents and patent applications (until such time as such applications or any of them are denied, abandoned or issued into patents) listed in Schedule B2 hereof and any future patents and patent applications including continuations, divisionals and reissues as part of patents and extensions thereof including supplementary protection certificates and their equivalent and Know-How under which Ferring is licensed with the right to sublicense.

1.51 **"Sublicensee"** means an Affiliate of I-MAB or a Third Party that is granted a sublicense to Ferring Intellectual Property and Know-How by I-MAB in accordance with Section 2.3.

1.52 **"Sub-sublicensee"** means an Affiliate of I-MAB or a Third Party that is granted a sub-sublicense to Sublicensed Intellectual Property by I-MAB in accordance with Section 2.3

1.53 **"Territory"** means China (including Hongkong, Macau), Taiwan and Korea.

1.54 **"Third Party"** means any Person other than a Party to this Agreement and such Party's Affiliate.

1.55 **"Trademark"** means any word, name, symbol, color, designation or device or any combination thereof that functions as a source identifier, including any trademark, trade dress, service mark, trade name, brand name, logo or business symbol, whether or not registered, together with any goodwill associated therewith.

1.56 **"Valid Claim"** means with respect to a particular country in the Territory or the Optional Territory (as applicable): (a) any claim of an issued and unexpired patent in such country that: (i) has not been held permanently revoked, unenforceable or invalid by a decision of a court or governmental agency of competent jurisdiction that is unappealable or unappealed within the time allowed for appeal; and (ii) has not been abandoned, disclaimed, denied or admitted to be invalid or unenforceable through reissue or disclaimer or otherwise in such country; or (b) any claim of a pending patent application that has not been abandoned or finally disallowed without the possibility of appeal or re-filing of the application.

2. GRANT OF RIGHTS

2.1 **Territory.** Ferring hereby grants to I-MAB: i) an exclusive (including with regard to Ferring and its Affiliates, but excluding any non-exclusive license granted to Conaris by operation of the Development and License Agreement dated November 11, 2008) license, with the right to grant sublicenses to Sublicensees in accordance with Section 2.3 in whole or in part, under Ferring Intellectual Property and Know-How; and ii) an exclusive (including with regard to Ferring and its Affiliates) sublicense, with the right to grant sub-sublicenses to Sub-sublicensees in accordance with Section 2.3 in whole or in part, under Sublicensed Intellectual Property, to research, develop, make, have made, import, use, sell and offer to sell the Licensed Compound and the Licensed Product in the Field in the Territory.

2.2 **Option Right of I-MAB to the Optional Territory (as applicable).** Ferring hereby grants to I-MAB: i) a non-exclusive option right to obtain an exclusive license, with the right to grant sublicenses to Sublicensees in accordance with Section 2.3 in whole or in part, under Ferring Intellectual Property and Know-How; and ii) a non-exclusive option right to obtain an exclusive sublicense, with the right to grant sub-sublicenses to Sub-sublicensees in accordance with Section 2.3 in whole or in part, under Sublicensed Intellectual Property, to research, develop, make, have made, import, use, sell and offer to sell the Licensed Product in the Field in the mutually agreed upon countries in the Optional Territory, and for the avoidance of doubt Ferring shall retain the right to research, develop, make, have made and use the Licensed Compound and/or Licensed Product in the Optional Territory for the purposes of this Agreement, including the right to grant sub-licenses to a Third Party. Ferring may actively pursue to grant license and sublicense rights to one or more Third Party to research, develop, make, have made, import, use, sell and offer to sell the Licensed Compound and the Licensed Product in the Field in any country outside the Territory, provided however that notwithstanding the aforementioned, Ferring shall not be entitled to grant any rights under the Ferring Intellectual Property and Sublicensed Intellectual Property to a Third Party without first providing written notice of its intentions to do so of 30 (thirty) days to I-MAB, and in such event I-MAB shall be entitled to have a first right of refusal to exercise the option right and to obtain exclusive license rights to the Optional Territory, subject to payment of the Initial Payment Covering the Optional Territory, cf. Clause 7.1.2 of this Agreement. If I-MAB notifies that it does not want to obtain an exclusive license to the Optional Territory, such notice to be received by Ferring in writing within 30 (thirty) days after receipt of Ferring's notice, cf. above, I-MAB foregoes of the option right and Ferring shall be free to enter into the agreement with any Third Party.

2.3 **Sublicenses and Sub-sublicenses.** I-MAB shall have the right to grant sublicenses and/or sub-sublicenses (as applicable) to an Affiliate or a Third Party to research, develop, make, have made, import, use, sell and offer to sell the Licensed Product in the Field in the Territory and the mutually agreed upon counties in the Optional Territory (as applicable, cf. Clause 2.2 above). Any sublicenses and/or sub-sublicenses granted by I-MAB shall be subject to the terms and conditions of this Agreement. I-MAB shall inform Ferring in writing of: i) the name and location of the Sublicensee and/or Sub-sublicensee; ii) the commercial terms in so far as required to provide Ferring with the requisite information for the purposes of section 7.5 below; and iii) the territory and indications included in the sublicense and/or sub-sublicense within thirty (30) days of the grant of the sublicense and/or sub-sublicense. Ferring shall be entitled to request a copy of the agreements entered into with the respective sublicensees and/or sub-sublicensees.

2.4 **Disclosure and Transfer.** Ferring shall share with I-MAB or any of its designees, as reasonably requested by I-MAB, the Regulatory Documentation in Ferrings's control with respect to the Licensed Compound and the Licensed Product within sixty (60) days after the Effective Date.

2.5 **Licensed Know-How Disclosure and Materials Transfer**

2.5.1 In General. Ferring shall deliver to I-MAB or any of its designees, as reasonably requested by I-MAB: (a) within thirty (30) days after the Effective Date the Licensed Know-How set forth in Schedule A; and (b) within thirty (30) days of a request made by I-MAB to Ferring, the agreed portion of the amount of Licensed Compound and the Licensed Product in Ferring's inventory as described in Schedule C, and all Manufacturing and batch records associated with the Materials in Ferring's Control. I-MAB or its designee may inspect the received Materials, and shall notify Ferring in writing within a reasonable period of time after the receipt thereof in the event it rejects the Materials. Upon and only upon acceptance of the Materials and subject to Section 13.1.2, I-MAB shall pay Ferring the book value plus the Shipping Cost for the amount of Licensed Compound and/or the Licensed Product received. Notwithstanding anything in this Agreement to the contrary, I-MAB will have the right, effective upon the Effective Date, to include Licensed Know-How in I-MAB's Regulatory Documentation for filing or submission to, or correspondence or discussions with, Regulatory Authorities, and the right to grant a sublicense under the foregoing right to a Sublicensee to include Licensed Know-How in the Sublicensee's Regulatory Documentation for filing or submission to, or correspondence or discussions with, Regulatory Authorities.

2.5.2 Assistance. During the Term, Ferring shall give I-MAB and all Sublicensees and Sub-sublicensees reasonable access to Ferring personnel familiar with the Licensed Compound and the Licensed Product, including without limitation personnel having knowledge, custody or expertise in connection with the Licensed Know-How, Clinical Data, Clinical Studies, formulation development, Regulatory Documentation and Manufacture Process Development thereof The assistance referred to above will be provided to I-MAB and I-MAB's designated experts by Ferring from its St. Prex headquarters and/or other Ferring locations as determined by Ferring. Subject to advance agreement as to estimated amount, expenses incurred by Ferring in the provision of assistance at sites other than those mentioned above will be reimbursed by I-MAB or the I-MAB Sub-licensee, subject to provision of documented evidence.

2.5.3 Delivery of Manufacturing Process. Within thirty (30) days of receipt of a written notice from I-MAB of its readiness to initiate IND-enabling Clinical Studies, Ferring shall transfer to I-MAB or any of its designees at I-MAB's cost, as directed by I-MAB, Ferring's technology under Ferring's Control for the commercial-scale Manufacturing process, to the extent the same has not been delivered to I-MAB in its entirety by the time such written notice is received by Ferring. If materials, know-how and Intellectual Property concerning the Manufacturing Process are owned by and/or under the control of the Third Party, I-MAB shall be responsible itself for obtaining license rights to such materials, know-how and Intellectual Property from the respective Third Party, and Ferring will use reasonable commercial efforts to assist I-MAB and the Third Party in such negotiations in order for I-MAB or its designate to receive such materials, know-how and Intellectual Property within China. I-MAB shall not sublicense such material, know-how and Intellectual Property without the Third Party's written approval.

2.5.4 License to Clinical Data. I-MAB hereby grants to Ferring a nonexclusive and royalty-free right and license to use all pre-clinical data and Clinical Data generated by I-MAB pursuant to this Agreement through the Development of the License Compound and Licensed Product for any purpose outside the Territory and the Optional Territory (if applicable).

3. DEVELOPMENT

3.1 **In General.** I-MAB shall use Reasonable Commercial Efforts to Develop the Licensed Product in the Field in the Territory at its own cost and expense in accordance with the Development Plan and, subject to the exercise of the option right to receive a license in the Optional Territory, cf. Clause 2.2 above, in the agreed upon countries in the Optional Territory (as applicable), Develop the Licensed Product in the Field in the Optional Territory (as applicable) at its own cost and expense in accordance with a supplemental development plan to be mutually agreed upon by the Parties upon the completion of Phase IIA in the Territory, which shall be incorporated into and become a part of this Agreement. If, after good faith discussions the parties are not able to agree upon the supplemental development plan, I-MAB's position shall prevail.

3.2 **Development Plan.** The initial Development Plan, which covers the period from the Effective Date through completion of Phase IB, shall be jointly developed and agreed upon by the Parties within 45 days after the Effective Date, which shall then be incorporated into and become a part of this Agreement. Starting from the first quarter of 2017 and for each Calendar Year or partial Calendar Year (as applicable) thereafter during the Term, I-MAB shall prepare an update to the Development Plan and submit such updated Development Plan to Ferring for its review. Each update to the Development Plan shall set forth for the applicable Calendar Year or partial Calendar Year the Development objectives, the planned Clinical Studies and other Development activities and the contemplated timelines for the foregoing. I-MAB shall manage the preparation of each such update so that it is submitted to Ferring for its review at least ninety (90) days prior to the end of the then-current Calendar Year. In addition, I-MAB may propose updates to the Development Plan to Ferring from time to time as appropriate in light of changed circumstances. If Ferring does not approve any element of an update to the Development Plan proposed by I-MAB, then the Parties shall discuss in good faith Ferring's concerns with respect thereto. If, after good faith discussions the parties are not able to agree upon the supplemental development plan, I-MAB's position shall prevail.

3.3 **Diligence.** I-MAB shall use Reasonable Commercial Efforts to Develop, obtain and maintain Regulatory Approvals for, the Licensed Product for use in the Field in the Territory and the Optional Territory (as applicable) in furtherance of the Development of the Licensed Product for the Field in the Territory and the Optional Territory (as applicable). Ferring shall use Reasonable Commercial Efforts to perform activities assigned to it in the Development Plan and the supplemental development plan(s) (as applicable) in furtherance of the Development Plan of the Licensed Product in the Field in the Territory and the Optional Territory (as applicable).

3.4 **Regulatory Matters. I-MAB** shall have the right and responsibility for preparing, obtaining and maintaining Drug Approval Applications and any other Regulatory Approvals, and for conducting communications with the Regulatory Authorities, for the Licensed Product in the Territory and the Optional Territory (as applicable). All Regulatory Approvals relating to the Licensed Product with respect to the Territory and the Optional Territory (as applicable) shall be owned by, and shall be the sole property and held in the name of, I-MAB or its designated Affiliate. Ferring hereby shares with I-MAB all Regulatory Documentation in its control for the Licensed Compound and/or Licensed Product (including any existing Regulatory Approvals) owned by Ferring and held in Ferring's name in the Territory and Optional Territory (as applicable) as of the Effective Date.

3.5 **Subcontracting.** I-MAB may freely subcontract the exercise of its rights and the performance of its obligations under this Article 3; provided that I-MAB informs Ferring in writing the name of the third party contractor and provided that I-MAB remains responsible to Ferring and its Affiliates, officers, servants or agents, for all activities sub-contracted and shall be responsible to, liable to and indemnify Ferring in the same terms as according to this Agreement for any loss or damage attributable to any negligent act or omission or misconduct on the part such subcontractor, its Affiliates, its officers, servants or agents.

3.6 In the event that I-MAB elects for any reason not to continue with the pre- clinical or clinical development of any Licensed Product in any and all indications or in any other way resolves not to make any further attempts aimed at commercializing any Licensed Product in a particular country of the Territory and/or Optional Territory (as applicable), such election to be notified to Ferring as soon as practicably possible, the licenses and sublicenses in such country granted under this Agreement will be terminated and Ferring will receive from I-MAB an irrevocable, royalty free, unlimited and exclusive license to use in such country all I-MAB IP, Intellectual Property and Know-How related thereto including but not limited to I-MAB Improvements and any I-MAB Know-How related to the Licensed Compound and Licensed Product generated subsequent to the Effective Date. In addition, in such event, I-MAB shall provide to Ferring all I-MAB IP, Intellectual Property, Information and Know-How related thereto including but not limited to I-MAB Improvements and any Know-How related to the Licensed Product generated subsequent to the Effective Date.

4. GOVERNANCE; JOINT STEERING COMMITTEE

4.1 **Formation and Role.** Within thirty (30) days after the Effective Date, the Parties shall establish a Joint Steering Committee (the "Joint Steering Committee" or "JSC") to oversee the Development and Commercialization of the Licensed Product under this Agreement. The JSC shall not have any power to bind either Party or to make any tactical or day-to-day operational decisions with respect to either Party's activities under this Agreement.

4.2 **Members.** Each Party shall initially appoint two (2) representatives to the JSC, each of whom shall be a senior officer of the applicable Party. The JSC may change its size from time to time by mutual written agreement of its members; however, at all times the JSC shall be comprised of equal members from each Party. Each Party may replace its representatives at any time upon written notice to the other Party specifying the prior representative(s) and their replacement(s). Either Party may designate substitutes for its representatives if one (1) or more of such Party's designated representatives are unable to be present at a meeting. The JSC shall have two (2) co-chairpersons, and Ferring and I-MAB shall each have the right to appoint one co-chairperson on an annual basis. The role of the co-chairpersons shall be to convene and preside at the meetings of the JSC and to ensure the preparation of JSC meeting minutes, but the co-chairpersons shall have no additional powers or rights beyond those held by other JSC representatives.

4.3 Meetings. The JSC shall meet at least one (1) time per Calendar Quarter during the Term unless the Parties mutually agree in writing to a different frequency for such meetings. Either Party may also call a special meeting of the JSC (by videoconference or teleconference) by at least ten (10) Business Days prior written notice to the other Party in the event such Party reasonably believes that a significant matter must be addressed prior to the next regularly scheduled meeting, and such Party shall provide the JSC no later than ten (10) Business Days prior to the special meeting with materials reasonably adequate to facilitate discussion of the issue. No later than ten (10) Business Days prior to any meeting of the JSC, the co-chairpersons of the JSC shall jointly prepare and circulate an agenda for such meeting; provided, however, that either Party may propose additional topics to be included on such agenda, either prior to or in the course of such meeting, and such additional topic may be covered with the consent of the other Party. The JSC may meet in person, by videoconference or by teleconference, provided, however, at least one (1) meeting per Calendar Year shall be in person unless the Parties mutually agree in writing to waive such requirement in lieu of a videoconference or teleconference. In-person JSC meetings shall be held at locations in China and Europe alternately selected by I-MAB and by Ferring. Each Party shall bear the expense of its respective JSC members' participation in the JSC meetings. The JSC co-chairpersons shall jointly send draft meeting minutes to each member of the JSC for review and approval within ten (10) Business Days after each JSC meeting. Such minutes shall be deemed approved unless one or more members of the JSC objects to the accuracy of such minutes within ten (10) Business Days of receipt.

5. EXCHANGE OF INFORMATION

5.1 Promptly after the Effective Date, I-MAB and Ferring shall meet to discuss the scope and contents of a mutual exchange of Know-How relevant to the Development Plan, and shall, upon reaching agreement, promptly exchange such Know-How. Thereafter each of the Parties shall periodically meet to discuss the exchange of any further Know-How which may become known to them and I-MAB shall inform Ferring by written reports on a three times a year basis of its progress in preclinical and clinical development, the development of a commercial manufacturing process for the Licensed Compound and the Licensed Product and the progress of applications to the Regulatory Authorities for clinical trials and commercial sale.

5.2 During the term of this Agreement and for 10 (ten) years thereafter, irrespective of any termination earlier than the expiration of the term of this Agreement neither Party shall reveal or disclose to any Third Party any Information received from the other Party or otherwise developed by either Party in the performance of activities in furtherance of this Agreement or the existence of this Agreement and the collaboration between I-MAB and Ferring as set out herein, without first obtaining the written consent of that other Party, except as may be otherwise provided herein, or: (a) for securing essential or desirable authorizations, privileges or rights from governmental agencies; (b) as required to be disclosed to a government agency; (c) as necessary to file or procure patent applications relating to the Licensed Product pursuant to Section 8; or (d) to carry out any litigation concerning the Licensed Product. Consent or the reason for refusal shall be provided in a prompt and timely manner. This obligation of confidentiality shall not apply to Know-How disclosed to Ferring in the case of termination by Ferring pursuant to Sections 9.2 or 9.3 or to such information that is or becomes a matter of public knowledge but only in relation to such Know-How and Information that is specifically required by Ferring for the sole purpose of being able to commercialize the Licensed Product where Ferring has acquired such rights pursuant to sections 9.2 or 9.3, or is already in the possession of the receiving Party, or is disclosed to the receiving Party by a Third Party having the right to do so, or is subsequently independently developed by employees or contractors of the receiving Party or Affiliates thereof who have no knowledge of the confidential information disclosed. The Parties shall take reasonable measures to ensure that no unauthorized use or disclosure is made by others to whom access to such information is granted.

5.3 Nothing herein shall be construed as preventing either Party from disclosing any Information received from the other Party to an Affiliate, Sublicensee, Sub-sublicensee, Recognised Agent or subcontractor of the receiving Party, provided that such Affiliate, Sublicensee, Sub-sublicensee, Recognised Agent or subcontractor has undertaken a similar obligation of confidentiality with respect to the Information.

5.4 In the event that a court or other legal or administrative tribunal directly or through an appointed master, trustee or receiver assumes partial or complete control over the assets of a Party to this Agreement based on the insolvency or bankruptcy of such Party, the bankrupt or insolvent Party shall promptly notify the court or other tribunal:

(i) that Information received from the other Party under this Agreement remains the property of the other Party; and

(ii) of the confidentiality obligations under this Agreement.

In addition, the bankrupt or insolvent Party shall, to the extent permitted by law, take all steps necessary or desirable to maintain the confidentiality of the other Party's Information and to ensure that the court, other tribunal or appointee maintains such Information in confidence in accordance with the terms of this Agreement.

5.5 No public announcement or other disclosure to Third Parties concerning the structure or terms of this Agreement or any work being carried out hereunder or the results of such work shall be made either directly or indirectly by any Party to this Agreement, except as may be legally required or as may be required for recording purposes, without first obtaining the approval of the other Party and agreement upon the nature and text of such announcement or disclosure, which approval and agreement shall not be unreasonably withheld. The Party desiring to make any such public announcement or other disclosure shall inform the other Party of the proposed announcement or disclosure in reasonably sufficient time prior to public release and shall provide the other Party with a written copy thereof to allow such other Party to comment upon such announcements or disclosure; provided, however, that the contents of any public announcement, press release or similar publicity which has been reviewed and approved can be subsequently re-released by either Party in any form without a requirement for re-approval provided the re-releasing Party advises the other Party prior to publication of the re-release and identifies the media in which it is to be published.

5.6 Each Party agrees that it shall co-operate fully with the other with respect to all disclosures regarding this Agreement to, or public disclosures as required by any other governmental or regulatory body, provided that the disclosing Party uses commercially reasonable efforts to seek confidential treatment for any Information of either Party included in any such disclosure.

5.7 **Publications.** Each Party recognizes that the publication of papers regarding Information and activities under this Agreement, including oral presentations and abstracts, may be beneficial to both Parties, provided that such publications are subject to reasonable controls to protect confidential information. Accordingly, each Party shall have the right to review and approve any paper proposed for publication by the other Party, including any oral presentation or abstract, that contains Clinical Data or pertains to results of Clinical Studies or includes other Information generated under this Agreement or that otherwise includes confidential information of the other Party. Before any such paper is submitted for publication or an oral presentation is made, the publishing or presenting Party shall deliver a complete copy of the paper or materials for oral presentation to the other Party at least sixty (60) days prior to submitting the paper to a publisher or making the presentation. The other Party shall review any such paper and give its comments to the publishing or presenting Party within sixty (60) days after the delivery of such paper to such other Party. With respect to oral presentation materials and abstracts, the other Party shall make reasonable efforts to expedite review of such materials and abstracts, and shall return such items as soon as reasonably practicable to the publishing or presenting Party with appropriate comments, if any, but in no event later than sixty (60) days after the date of delivery to such other Party. Failure to respond within such sixty (60) days shall be deemed approval to publish or present. Notwithstanding the foregoing, the publishing or presenting Party shall comply with the other Party's written request to: (a) delete references to such other Party's confidential information in any such paper or presentation; or (b) withhold publication of any such paper or any presentation of same for an additional one hundred twenty (120) days in order to permit the Parties to obtain patent protection if either Party deems it necessary. Any publication shall include recognition of the contributions of the other Party according to standard practice for assigning scientific credit, either through authorship or acknowledgement, as may be appropriate. Each Party shall use its respective Reasonable Commercial Efforts to cause investigators and institutions participating in clinical studies for the Licensed Product with which it contracts to agree to terms substantially similar to those set forth in this Section 5.7, which efforts shall satisfy such Party's obligations under this Section 5.7 with respect to such investigators and institutions.

5.8 Nothing in this Agreement shall be construed as preventing or in any way inhibiting either Party from complying with statutory and regulatory requirements governing the development, manufacture, use and sale or other distribution of the Licensed Product in any manner that it reasonably deems appropriate including, for example, by disclosing to Regulatory Authorities Information or other information received from the other Party or Third Parties.

6. COMMERCIALISATION

6.1 **General.** I-MAB shall use Reasonable Commercial Efforts to obtain approval of the Regulatory Authorities and to promote, market, distribute and sell the Licensed Product in the Field in all countries of the Territory and/or Optional Territory (as applicable, cf. Clause 2.2 above), in each case at its own cost and expense. Following receipt by I-MAB or its Affiliate, Sublicensee or Sub-sublicensee of marketing approval for the Licensed Product in a country or region of the Territory and/or Optional Territory (as applicable), I-MAB shall start, and shall ensure that its Affiliate or its Sublicensee and/or its Sub-sublicensee start the marketing and sales of the Licensed Product and to use its Reasonable Commercial Efforts to promote, market, distribute and sell the Licensed Product consistent with accepted pharmaceutical business practice and applicable legal requirements.

6.2 **Sales and Distribution.** I-MAB shall be responsible for: (a) invoicing and booking sales; (b) establishing all terms of sale (including pricing and discounts); (c) warehousing and distributing; and (d) handling all returns, recalls and withdrawals, order processing, collection, inventory and receivables, in each of (a) through (d), with respect to the Licensed Product in the Territory and the Optional Territory (as applicable).

6.3 **Product Trademarks.** I-MAB shall have the right to determine the Product Trademarks to be used with respect to the Licensed Product in the Field in the Territory and the Optional Territory (as applicable), and shall own all right, title and interest in and to the Product Trademarks.

6.4 **Markings.** To the extent required by Applicable Law in a country in the Territory or the Optional Territory (if applicable), the promotional materials, packaging and Product Labeling for the Licensed Product used by I-MAB, its Sublicensees, Sub-sublicensees or its or their respective Affiliates in connection with the Licensed Product in such country shall contain the logo and corporate name of the manufacturer.

6.5 **Subcontracting.** I-MAB may subcontract the Commercialization of the Licensed Product in the Field in the Territory and the Optional Territory (if applicable); provided that any agreement pursuant to which I-MAB engages such subcontractor shall be consistent in all material respects with this Agreement (where applicable) and provided that I-MAB informs Ferring in writing the name of the third party contractor and provided that I-MAB remains responsible to Ferring and its Affiliates, officers, servants or agents, for all activities sub-contracted and shall be responsible to, liable to and indemnify Ferring in the same terms as according to this Agreement for any loss or damage attributable to any negligent act or omission or misconduct on the part such subcontractor, its Affiliates, its officers, servants or agents.

6.6 **Meetings.** At the request of Ferring, the Parties shall meet annually to discuss sales of the Licensed Product in the Territory and/or Optional Territory (as applicable), and I-MAB shall inform Ferring of its marketing strategy for the Licensed Product.

6.7 **No Launch.** In the event I-MAB shall decide not to launch any Licensed Product in a particular country in the Territory and/or Optional Territory (as applicable), either by itself or through an Affiliate, a Recognised Agent, a Sublicense or a Sub-sublicensee, or Sub-contractor, I-MAB will immediately inform Ferring in writing of the reason for its decision and Ferring shall be entitled to unilaterally delete such country from the Territory and/or Optional Territory (as applicable) without a notice period. In this case, I-MAB undertakes to transfer free of charge to Ferring any authorization to market a Licensed Product and its Product Trademarks for such Licensed Product in such country that I-MAB may previously have acquired and to cooperate fully in the transfer of sales of such Licensed Product if any in such country to Ferring or to a Third Party designated by Ferring and shall supply at cost Licensed Product or have it supplied to Ferring or its designee for such sale.

7. PAYMENTS AND FEES

7.1 Initial Payments.

7.1.1 Initial Payment Covering Territory. The initial non-refundable fee to be paid by I-MAB to Ferring for exclusivity in the Territory shall be Two Million Dollars ($2,000,000), payable within forty five (45) days after the Effective Date.

7.1.2 Initial Payment Covering Optional Territory. Within sixty (60) days after the license grant by Ferring to I-MAB and the determination of the countries in the Optional Territory, cf. Clause 2.2 above, I-MAB shall pay Ferring Three Million Dollars ($3,000,000) as the initial non-refundable fee.

7.2 Milestone Payments.

7.2.1 Development Milestones in the Territory. I-MAB shall pay Ferring each of the following non-refundable, non-creditable milestone payments within sixty (60) days after the achievement of the corresponding Milestone Event. For clarity, each of the following milestone payments shall be made only once and upon the first occurrence of the corresponding Milestone Event, regardless of the number of countries in which the Licensed Product achieves the applicable Milestone Event:

Milestone Event	Milestone Payment
Completion of Phase IB in the Territory	One Million Five Hundred Thousand Dollars ($1,500,000)
Completion of Phase IIA study report in the Territory	Three Million Dollars ($3,000,000)
NDA submission in the Territory	Five Million Dollars ($5,000,000)
NDA approval in the Territory	Five Million Dollars ($5,000,000)

7.2.2 Development Milestones in the Optional Territory. I-MAB shall pay Ferring each of the following non-refundable, non-creditable milestone payments within sixty (60) days after the achievement of the corresponding Milestone Event. For clarity, each of the following milestone payments shall be made only once and upon the first occurrence of the corresponding Milestone Event, regardless of the number of countries in which the Licensed Product achieves the applicable Milestone Event:

Milestone Event	Milestone Payment
NDA submission in the United States	Ten Million Dollars ($10,000,000)
NDA submission in the European Union	Five Million Dollars ($5,000,000)
NDA approval in the United States	Ten Million Dollars ($10,000,000)
NDA approval in the European Union	Five Million Dollars ($5,000,000)

7.2.3 Determination that Milestone Events Have Occurred. I-MAB shall notify Ferring promptly of the achievement of each Milestone Event. In the event that, notwithstanding the fact that I-MAB has not provided Ferring with such a notice, Ferring believes that any such Milestone Event has been achieved, it shall so notify I-MAB in writing and the Parties shall promptly meet and discuss in good faith whether such Milestone Event has been achieved. Any dispute under this Section 7.2.3 regarding whether or not a Milestone Event has been achieved shall be subject to resolution in accordance with Sections 21 and 23.

7.3 Royalties.

7.3.1 Royalty Rates in the Territory. In connection with the grant of the licenses and sublicenses under the Licensed Know-How and Sublicensed Intellectual Property in the Territory pursuant to Section 2.1, during the Royalty Term, I-MAB shall pay Ferring a non-refundable, non-creditable royalty on Net Sales of the Licensed Product in the Territory in each Calendar Year (or partial Calendar Year), as follows, as calculated by multiplying the applicable royalty rate in the table below by the corresponding amount of incremental Net Sales of all Licensed Products:

That portion of Net Sales of the Licensed Product in the Territory in a Calendar Year that is:	Royalty Rate
Less than or equal to Five Hundred Million RMB (RMB500,000,000)	6%
Greater than Five Hundred Million RMB (RMB500,000,000)	8%

7.3.2 Royalty Rates in the Optional Territory. In connection with the grant of the licenses and sublicenses under the Licensed Know-How and Sublicensed Intellectual Property in the Optional Territory pursuant to Section 2.2, during the Royalty Term, I-MAB shall pay Ferring a non-refundable, non-creditable royalty on Net Sales of the Licensed Product in the Optional Territory in each Calendar Year (or partial Calendar Year), as follows, as calculated by multiplying the applicable royalty rate in the table below by the corresponding amount of incremental Net Sales of all Licensed Products:

That portion of Net Sales of the Licensed Product in the Optional Territory in a Calendar Year that is:	Royalty Rate
Less than or equal to Five Hundred Million Dollars ($500,000,000)	8%
Greater than Five Hundred Million Dollars ($500,000,000)	10%

7.3.3 Payment Dates and Reports. Royalty payments shall be made by I-MAB within sixty (60) days after the end of each Calendar Quarter commencing with the Calendar Quarter in which the first day of the first Royalty Term for the first Licensed Product occurs. I-MAB shall also provide to Ferring, at the same time each such payment is made, a report showing: (a) the Net Sales of the Licensed Product by country in the Territory and the Optional Territory (as applicable); (b) the basis for any deductions from Invoiced Sales to determine Net Sales; (c) the applicable royalty rates for the Licensed Product; (d) a calculation of the amount of royalty due to Ferring; and (e) the exchange rates used in calculating any of the foregoing.

7.4 Mode of Payment; Currency Conversion; Taxes.

7.4.1 Mode of Payment. All payments to Ferring under this Agreement shall be made by wire transfer of Dollars in the requisite amount to such bank account as Ferring may from time to time designate by notice to I-MAB.

7.4.2 Currency Conversion. If any currency conversion shall be required in connection with any payment hereunder, such conversion shall be made by using the arithmetic mean of the exchange rates for the purchase of Dollars as published by the People's Bank of China, on the last Business Day of each month in the Calendar Quarter to which such payments relate.

7.4.3 Taxes. The milestone and royalty payments and other amounts payable by I-MAB to Ferring pursuant to this Agreement **("Payments")** shall not be reduced on account of any taxes unless required by Applicable Law. Ferring alone shall be responsible for paying any and all taxes incurred under this Agreement which it should be liable for under the tax law of the relevant jurisdiction. I-MAB shall deduct or withhold from the Payments any taxes that it is required by Applicable Law to deduct or withhold. For the sake of clarity, any federal, state, county or municipal sales or use tax, excise, customs charges, duties or similar charge, or any other tax assessment (other than that assessed against income), license, fee or other charge lawfully assessed or charged on the manufacture, sale or transportation of Materials sold pursuant to this Agreement or a separate supply agreement between the Parties, shall be paid by Ferring. If Ferring is entitled under any applicable tax treaty to a reduction of rate of, or the elimination of, applicable withholding tax, it shall deliver to I-MAB or the appropriate governmental authority (with the assistance of I-MAB to the extent that this is reasonably required and is expressly requested in writing) the prescribed forms necessary to reduce the applicable rate of withholding or to relieve I-MAB of its obligation to withhold tax, and I-MAB shall apply the reduced rate of withholding, or dispense with withholding, as the case may be; provided that I-MAB has received evidence, in a form reasonably satisfactory to I-MAB, of Ferring's delivery of all applicable forms (and, if necessary, its receipt of appropriate governmental authorization) at least fifteen (15) Business Days prior to the time the tax return is due for filing and/or that the Payments are due, whichever is earlier. If, in accordance with the foregoing, I-MAB withholds any amount in connection with any Payment, it shall pay to Ferring the balance when due, make timely payment to the proper taxing authority of the withheld amount and send to Ferring proof of such payment within fifteen (15) Business Days following such Payment.

7.5 Sub-License and Sub-Sub-License Income

In the event any right granted, license, sub-license or sub-sublicense given to, or agreement entered into by I-MAB with any Third Party (not being an Affiliate or Recognised Agent of I-MAB) in Sublicensed Intellectual Property or Licensed Ferring Intellectual Property or Know-How and where, but for such right granted, license, sub-license or sub-sublicense given or agreement entered into by I-MAB, Sublicensed Intellectual Property or Licensed Ferring Intellectual Property or Know-How as granted by Ferring to I-MAB pursuant to this Agreement would be infringed or used by the commercialisation of a Licensed Product by such Third Party, I-MAB shall be deemed to have sub-licensed and/or sub-sublicensed its rights in the Licensed Product for the purposes of this Section 7.5 under a Third Party Agreement ("Third Party Agreements").

Third Party Agreements shall also include any related agreements with a Sub-licensee and/or a Sub-sub licensee such as for example any agreement on an exchange product for the Licensed Product or other non-financial consideration but shall expressly exclude sales to wholesalers under distribution agreements and sales under any other agreements which are covered by Section 7.3 above and where sales of Licensed Product to an end customer are not booked by I-MAB, its Affiliates, Sublicensees, Sub-sublicensees or Recognized Agents. For the sake of clarity, this exclusion shall not apply to agreements covering or related to the supply and manufacture of Licensed Compound or Licensed Product where commercialisation of the Licensed Product accruing therefrom is covered under Sublicensed Intellectual Property and/or Licensed Ferring Intellectual Property and/or Know-How as granted by Ferring to I-MAB pursuant to this Agreement.

I-MAB shall pay to Ferring a sum equivalent to 10% (ten percent) of the annual total consideration received by I-MAB under all Third Party Agreements for as long as I-MAB is obliged to make payments to Ferring pursuant to section 7.3 above.

For the avoidance of doubt, annual total consideration received by I-MAB under Third Party Agreements shall also include the sales booked by I-MAB in respect of any product in-licensed and commercialized by I-MAB and acquired by I-MAB in consideration of any sub-license and/or sub-sublicense by I-MAB of the Licensed Product, whereupon the Net Sales of any such product in-licensed and commercialised by I-MAB shall be deemed annual total consideration received by I-MAB under a Third Party Agreement.

I-MAB will disclose to Ferring the terms of all Third Party Agreements within thirty (30) days of their conclusion in so far as the terms are directly applicable to the financial and/or non-financial consideration that I-MAB will receive under such Third Party Agreements.

Not later than thirty (30) days from the end of each calendar year, I-MAB will: (i) confirm to Ferring by itemised accounts the annual total consideration received in the previous calendar year by I-MAB under such Third Party Agreements; and (ii) make a payment to Ferring of 10% (ten percent) of such consideration as specified above.

Upon receipt by Ferring of such valuation, Ferring will have thirty (30) days either to accept in writing the accounts submitted by I-MAB or to inform I-MAB in writing that Ferring requires an independent accountant acceptable to both Ferring and I-MAB to review all Third Party Agreements and all books and accounts of I-MAB relevant for the purposes of determining the annual total consideration received by I-MAB during the same calendar year under such Third Party Agreements. Following such review, the accountant shall inform both Parties of the amount of such consideration and the amount shall then be binding on both Parties. Ferring may exercise the right during the term of this Agreement and until the end of three (3) years after the expiration or termination of this Agreement once per calendar year.

In the event of the independent accountant confirming an amount of annual total consideration received in the previous calendar year received by I-MAB under such Third Party Agreements equal to or within a margin of 5% (five percent) either above or below the valuation submitted by I-MAB, the costs of the independent accountant for such valuation shall be borne by Ferring.

In the event of the independent accountant confirming an amount of annual total consideration received by I-MAB in the previous calendar year under such Third Party Agreements exceeding a margin of 5% (five percent) either above or below the valuation submitted by I-MAB, the costs of the independent accountant for such valuation shall be borne by I-MAB.

I-MAB shall promptly pay to Ferring the full amount of any underpayment owing to Ferring pursuant to this Section 7.5 under such Third Party Agreements together with interest thereon at the rate of EURIBOR plus 2% (two percent) per year compounded monthly from the date payment was due.

7.6 Audit Rights

I-MAB shall keep and shall cause its Affiliates, Sublicensees, Sub-sublicensees and Recognized Agents to keep records of the sale of the Licensed Product in sufficient detail to permit Ferring to confirm the accuracy of Net Sales and royalties payable reported. Ferring shall have the right at its own expense (unless the result of such audit results in a variation or error exceeding 5% (five percent) of the payment made in the previous calendar year, in which case at the expense of I-MAB), to have a certified public accounting firm examine the relevant books and records of I-MAB, its Affiliates, Sublicensees, Sub-sublicensees and Recognized Agents. Ferring may exercise this right during the term of this Agreement and until the end of three (3) years after the end of the Royalty Term once per calendar year. I-MAB shall promptly pay to Ferring the full amount of any underpayment, together with interest thereon, at the rate of EURIBOR plus 2% (two percent) per year compounded monthly from the date payment was due.

7.7 Confidentiality. Both Parties shall treat all information subject to review under this Section 7 in accordance with the confidentiality provisions of Section 5.

8. INTELLECTUAL PROPERTY

8.1 Ownership of Intellectual Property.

8.1.1 Except as expressly set out herein, this Agreement does not affect the ownership of any I-MAB IP, Ferring Intellectual Property, Ferring Know-How, Ferring Improvements or the Sublicensed Intellectual Property. The Parties acknowledge and agree that, as between the Parties: (a) subject to the terms and conditions of this Agreement, including Section 10.3, I-MAB shall own and retain all right, title and interest in and to any and all I-MAB IP including I-MAB Improvements; and (b) Ferring shall own and retain all right, title and interest in and to any and all Ferring Know-How, Ferring Intellectual Property and Ferring Improvements; (c) Conaris Research Institute AG shall own and retain all right, title and interest in and to any and all Sublicensed Intellectual Property and (d) each Party shall own and retain all right, title and interest in and to any and all other Know-How and other intellectual property rights that are owned or otherwise Controlled (other than pursuant to the license grants set forth in Section 2.1 and 2.2) by such Party, its Affiliates or any Sublicensees, Sub-sublicensees or its or their respective Affiliates.

8.1.2 If an Improvement is made by or on behalf of both I-MAB and Ferring, then such Improvement shall be deemed jointly-owned Intellectual Property and such Intellectual Property shall be licensed by Ferring to I-MAB under the terms of this Agreement.

8.1.3 I-MAB hereby grants to Ferring a non-exclusive, fully paid, royalty free, world-wide license to any I-MAB IP.

8.1.4 No other right of license. Except as expressly set out herein, no provision in this Agreement shall operate to transfer, assign or otherwise grant any Party any right or interest in any Intellectual Property or other intellectual property rights of the other Party.

8.2 Patent Filing, Prosecution and Maintenance

8.2.1 Licensed Patents. Ferring shall prepare, file, prosecute and maintain (including with respect to related interference, re-issuance, re-examination, opposition and invalidation proceedings) the patents and patent applications of the Ferring Intellectual Property and Sublicensed Intellectual Property in the Territory and the Optional Territory (as applicable) at its sole cost and expense, and shall not abandon any such patent or patent application in the Territory or the Optional Territory during the Option Right (as applicable) without the prior written consent of I-MAB which shall not be unreasonably withheld.

8.2.2 Improvements. The Party owning an Improvement shall have responsibility for the filing, prosecution and maintenance at its sole expense, in the applicable patent offices in the Territory and/or Optional Territory (as applicable), and that Party shall control all filings and actions in relation to procuring and maintaining such New Intellectual Property. I-MAB shall have responsibility for jointly-owned Improvements. The Parties agree to keep each other regularly informed of the course of patent prosecution or other proceedings with respect to Improvements and shall provide each other with copies of all official documents sent to or received by the respective patent offices in the Territory and/or Optional Territory (as applicable).

Notwithstanding the foregoing, the Party having such responsibility for the filing, prosecution and maintenance of Improvements shall not be required to file, prosecute or maintain any patent application or patent where that Party does not believe that such activities are commercially justified provided, however, that such Party shall not cease to file, prosecute and maintain any such patent application or patent without giving the other Party the opportunity to take over the responsibility for filing, prosecution and maintenance at its own expense in which case that Party shall grant the other Party an irrevocable, non-exclusive, fully paid, royalty free, world-wide license, with the right to sublicense to such Improvements. The Parties agree and acknowledge that Conaris has the opportunity to take over responsibility for any Improvements should both Parties decline to maintain patents or patent applications on Improvements.

8.3 Cooperation and Assistance

Each Party shall make available its authorized attorneys, agents or representatives, its employees, agents or consultants reasonably necessary or appropriate to enable the other Party to file, prosecute and maintain patent applications and resulting patents with respect to the Improvements, and shall provide access to such documents and other information as may be reasonably required for such purposes. The Party shall sign or cause to have signed all documents relating to said patent applications or patents at no cost or charge to the other Party.

8.4 Patent Term Extensions and Supplementary Protection Certificates.

Each Party shall notify the other Party of the issuance of each patent within the Ferring Intellectual Property or I-MAB IP in any country in the Territory and the Optional Territory (as applicable) giving the date of issue and patent number for each such patent. Ferring shall have the exclusive responsibility and shall use commercially reasonable efforts to apply for and maintain any such extension, and shall not abandon any such extension in the Territory or the Optional Territory (as applicable) without the prior written consent of I-MAB which shall not be unreasonably withheld.

The Parties shall cooperate with each other in gaining such extensions and each Party shall execute such authorizations and other documents and take such other actions as may be reasonably requested by the other Party to obtain such extensions. If more than one patent is eligible for such extension, Ferring shall have the right to make the election of which patent for which such extension will be sought.

8.5 Patent Enforcement and Infringement

8.5.1 Notice. If Ferring or I-MAB has knowledge of any suspected infringement of any Intellectual Property by Third Parties or of any misappropriation or misuse of the Intellectual Property in the Territory and/or Optional Territory (as applicable), the Party having such knowledge shall promptly inform the other Party of such infringement, misuse or misappropriation.

8.5.2 Course of Action. I-MAB shall have the right, but not the obligation, at its cost to bring any legal action in the Territory and/or Optional Territory (as applicable) related to infringement by Third Parties, that impacts adversely on the enjoyment by I-MAB of the rights licensed to it hereunder. Ferring shall join in any infringement proceeding as a party at I-MAB's request and at I-MAB's expense in the event that an adverse party asserts, or I-MAB determines in good faith, that a court or other legal body lacks jurisdiction based on Ferring's absence as a party in such proceeding, or with respect to patents where such joinder is necessary or desirable to proceed with such claim. Ferring and Conaris shall each have the right, but not the obligation, to bring any legal action related to infringement if I-MAB declines to do so.

8.5.3 Infringement of Third Party Rights. In the event that a Third Party alleges that I-MAB's or its Affiliate's, Sublicensee's and/or Sub-sublicensee's, manufacture of the Licensed Product or use of Improvements infringes its intellectual property in the Territory and/or Optional Territory (as applicable), I-MAB shall have the sole right to defend such action at its own expense and Ferring agrees to assist and cooperate where reasonably necessary with I-MAB, at I-MAB's own expense, in the defense of any such action.

I-MAB has carried out its own analysis of Third Party patent rights in the Territory and/or Optional Territory (as applicable) which could possibly be infringed or be alleged to be infringed by its exercise of the rights under this Agreement. I-MAB acknowledges that the grant of the license and/or sublicense under this Agreement shall not imply any warranty against infringement of any Third Parties' patent rights or any other rights of Third Parties. Ferring and I-MABe are in agreement that Ferring shall not be liable for any patent infringement claims brought by a Third Party against I-MAB with regard to the manufacture or marketing of the Licensed Product in the Territory and/or Optional Territory (as applicable) and shall be under no duty to indemnify I-MAB from claims and damages arising therefrom.

8.5.4 Settlement of Third Party Claims. I-MAB, with respect to a particular claim pursuant to Section 8.5.3, also shall have the right to control settlement of such claim; provided that: (a) no settlement shall be entered into without the prior consent of Ferring if such settlement would adversely affect or diminish the rights and benefits of Ferring under this Agreement, or impose any new obligations or adversely affect any obligations of Ferring under this Agreement; and (b) I-MAB shall not be entitled to settle any such claim by granting a license or covenant not to sue under or with respect to the Sublicensed Intellectual Property or Ferring Intellectual Property without the prior written consent of Ferring, such consent not to be unreasonably conditioned, withheld or delayed.

8.5.5 Costs. Each Party shall unless otherwise stated in this Section 8.5 assume and pay all of its own out-of-pocket costs incurred in connection with any litigation or proceedings described in this Section 8.5, including, without limitation, the fees and expenses of such Party's counsel.

8.5.6 Recoveries. Any recovery obtained by either Party as a result of any proceeding described in this Section 8.5 or from any counterclaim or similar claim asserted in a proceeding described in this Section 8.5, by settlement or otherwise, shall be applied as follows: first, to reimburse each Party for all out-of-pocket litigation costs incurred in connection with such proceeding paid by that Party (on a pro rata basis based on each Party's respective litigation costs, to the extent the recovery was less than all such litigation costs); and second, the remainder of the recovery shall be paid one hundred percent (100%) to the Party which funded the infringement action. Any remainder of the recovery by I-MAB shall be treated as sub-license income pursuant to Section 7.5.

8.5.7 Cooperation. In the event that any Party takes action pursuant to this Section 8.5, the other Party shall cooperate fully with the Party so acting to the extent reasonably possible, including the joining of suit as required by this Agreement or as otherwise desirable and, to the extent possible, make available relevant records, papers, information, samples, specimens, and the like. Each Party shall keep the other informed of developments in any action or proceeding, including the status of any settlement negotiations and the terms of any offer related thereto.

8.6 Validity and Enforceability Challenge by Third Party

In the event that a Third Party attacks the validity or enforceability of any of the Ferring Intellectual Property in the Territory and/or the Optional Territory (as applicable), then Ferring shall promptly notify I-MAB and Ferring, at its own discretion, subject to good business judgement, shall promptly take such legal action as is required and appropriate to defend the validity thereof.

If Ferring does not take such legal action as is required to defend the validity of the Ferring Intellectual Property in the Territory and/or Optional Territory (as applicable), Ferring shall provide at least sixty (60) days written notice to I-MAB prior to a corresponding deadline, if applicable, and the Parties shall reasonably determine an appropriate alternative in the best interests of both Parties.

The Parties agree and acknowledge that should a Third Party attack the validity or enforceability of any of the Sublicensed Intellectual Property in the Territory and/or the Optional Territory (as applicable) and Ferring does not take such legal action as is required to defend the validity of such Sublicensed Intellectual Property, then Conaris at its option shall control defense.

8.7 Product Trademarks

8.7.1 Maintenance and Ownership of Product Trademarks. I-MAB, at its expense, shall be responsible for the selection, registration and maintenance of all Trademarks that I-MAB employs in connection with the Licensed Product **("Product Trademarks").** I-MAB shall own all right, title and interest to such Trademarks, trade dress and copyrights in the Territory and Optional Territory (as applicable) related to the Licensed Product.

8.7.2 Enforcement of Product Trademarks. I-MAB may, at its sole discretion, take such action as I-MAB deems necessary against a Third Party based on any alleged, threatened, or actual infringement, dilution, misappropriation, or other violation of, or unfair trade practices or any other like offense relating to, the Product Trademarks by a Third Party in the Territory or the Optional Territory (as applicable). I-MAB shall bear the costs and expenses relating to any enforcement action commenced pursuant to this Section 8.7.2 and any settlements and judgments with respect thereto, and shall retain any damages or other amounts collected in connection therewith.

8.7.3 Third Party Claims. I-MAB may, at its sole discretion, defend against any alleged, threatened, or actual claim by a Third Party that the use or registration of the Product Trademarks in the Territory or the Optional Territory (as applicable) infringes, dilutes, or otherwise violates any trademark or other right of such Third Party or constitutes unfair trade practices or any other like offense, or any other claims as may be brought by a Third Party against a Party in connection with the use of the Product Trademarks with respect to a Licensed Product in the Territory or the Optional Territory (as applicable). I-MAB shall bear the costs and expenses relating to any defense commenced pursuant to this Section 8.7.3 and any settlements and judgments with respect thereto, and shall retain any damages or other amounts collected in connection therewith.

8.7.4 Notice and Cooperation. Each Party shall provide to the other Party prompt written notice of any actual or threatened infringement of the Product Trademarks in the Territory and the Optional Territory (as applicable) and of any actual or threatened claim that the use of the Product Trademarks in the Territory or the Optional Territory (as applicable) violates the rights of any Third Party. Each Party shall cooperate fully with the other Party with respect to any enforcement action or defense commenced pursuant to this Section 8.7.

9. TERM AND TERMINATION

9.1 **Term.** This Agreement shall commence on the Effective Date and shall, unless earlier terminated in accordance with this Section 9, continue: (a) with respect to the Licensed Product in each country in the Territory and the Optional Territory (as applicable, cf. Clause 2.2), until the expiration of the Royalty Term for the Licensed Product in such country; and (b) with respect to this Agreement in its entirety, until the later of: (i) the expiration of the Royalty Term for the Licensed Product for which there has been a First Commercial Sale in the Territory or the Optional Territory (as applicable); or (ii) the first date on which I-MAB is not conducting any necessary and outstanding Clinical Study with respect to any Licensed Product or seeking to obtain any necessary and pending Regulatory Approval for the Licensed Product in the Territory or the Optional Territory (if applicable) (such period, the **"Term").**

9.2 **Termination of this Agreement for Material Breach.** In the event that either Party materially breaches this Agreement (such Party, the **"Breaching Party"),** in addition to any other right and remedy the other Party (the **"Complaining Party")** may have, the Complaining Party may terminate this Agreement, in its entirety upon thirty (30) days' prior written notice (the **"Termination Notice Period")** to the Breaching Party, specifying the material breach and its claim of right to terminate, provided that the termination shall not become effective at the end of the Termination Notice Period if the Breaching Party cures the material breach complained of during the Termination Notice Period.

9.3 **Termination Upon Insolvency.** Either Party may terminate this Agreement if, at any time, the other Party: (a) files in any court or agency pursuant to any statute or regulation of any state, country or jurisdiction, a petition in bankruptcy or insolvency or for reorganization (other than for the purposes of merger or amalgamation) or for an arrangement or for the appointment of a receiver or trustee of such other Party or of its assets; (b) proposes a written agreement of composition or extension of its debts; (c) is served with an involuntary petition against it, filed in any insolvency proceeding that is not dismissed within thirty (30) days after the filing thereof; (d) proposes or is a party to any dissolution or liquidation; or (e) makes an assignment for the benefit of its creditors.

9.4 **Termination of Sublicensed Intellectual Property.** Ferring may terminate this Agreement with respect to the license grant hereunder to Sublicensed Intellectual Property in the event the main license (Development and License Agreement dated November 11, 2008) governing the Sublicensed Intellectual Property is terminated by Conaris AG. The Parties hereby agree to discuss in good faith how to resolve and mitigate to the satisfaction of both Parties any consequences negatively impacting I-MAB and its representatives, including potential participants in clinical trials, in its continued efforts under the license grants under this Agreement due to such termination, (provided that such termination of Sublicensed Intellectual Property is not due to lack of diligence, negligence or breach of this Agreement by I-MAB or its representatives). The agreed process should this happen shall be made in writing and shall be signed as an Amendment to this Agreement no later than forty five (45) days after the Effective Date.

10. CONSEQUENCE OF TERMINATION

10.1 In the event of Ferring's termination of this Agreement pursuant to Sections 9.2 or 9.3, I-MAB shall within thirty (30) days of such termination pay to Ferring in full all unpaid amounts which otherwise became due and payable to Ferring prior to such termination in accordance with this Agreement. The licenses, sublicenses, sub-sub licenses, if any, and other rights granted to I-MAB hereunder shall be terminated as of the effective date of the termination and Ferring shall have an irrevocable, worldwide, royalty free, non-exclusive license with right to sublicense, to all I-MAB Intellectual Property. I-MAB shall transfer to Ferring without delay all applications to and approvals of Regulatory Authorities for clinical trials and/or sale of Licensed Product, all data and Information in its possession related to the Licensed Compound and the Licensed Product including its database on the Licensed Compound and the Licensed Product, any master cell bank and the Manufacturing Process for the Licensed Compound and the Licensed Product, all quantities of Licensed Compound, Licensed Product, clinical trial samples or Materials in its possession and as reasonably required by Ferring for progressing to the commercialization of a Licensed Product.

10.2 In the event of Ferring's termination pursuant to Section 9.2 or 9.3 after First Commercial Sale, I-MAB shall transfer free of charge the ownership of its trademarks, trade dress and/or copyrights for the Licensed Product to Ferring and cooperate with Ferring in the transfer of any sales of Licensed Product to Ferring or a Third Party designated by Ferring in addition to the consequences under Section 10.1.

11. ACCRUED RIGHTS; SURVIVING OBLIGATIONS

11.1 **Accrued Rights.** Termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement.

11.2 **Survival.** Without limiting the foregoing, Articles 10, 14, 17, 21 and 23 and Section 2.5.4, 5.2 - 5.7, 7.6, and 7.7 shall survive the termination or expiration of this Agreement for any reason.

12. GENERAL PERFORMANCE STANDARDS

Each Party shall utilise qualified, skilled and experienced personnel in performing their obligations under this Agreement. Such personnel shall be familiar with the GMP level relevant to their role in the process.

Each Party shall perform all its obligations under this Agreement with all due skill and care, in a professional manner and in accordance with all Applicable Laws and regulations.

In relation to development, manufacturing and other work necessary to obtain regulatory approvals of the Licensed Product, each Party shall perform its obligations in accordance with the present scientific state of the art as well as current demands from the relevant regulatory and other authorities.

Should either Party become aware of any incident which will or is likely to cause delay to or impair the performance of its obligations under this Agreement, such Party shall immediately notify the Joint Committee, and inform the other Party of actions, initiated and planned in order to remedy the delay.

Each Party represents and warrants that it has, and will maintain during the term hereof, the authority and right to perform its obligations under this Agreement and that it has, and will maintain during the term hereof, any permits, licences, facilities, knowledge, specialists and personnel necessary for performance of its obligations under this Agreement.

13. MANUFACTURE AND SUPPLY

13.1 Supply by Ferring for Phase IB Clinical Trial

13.1.2 Ferring will pay for the continued shelf life stability testing to the end of 2017 for the current Licensed Product. Ferring will use reasonable efforts to assist I-MAB with additional testing at I-MAB's cost in the event that further extensions are required beyond 2017. Stability testing and payment of costs therefore have been detailed in attached Schedule C.

13.2 I-MAB's Manufacture Duty. I-MAB shall, at its own cost, Manufacture or have Manufactured the Licensed Compound and/or the Licensed Product required for completing the relevant Clinical Studies. I-MAB shall, at its own cost, complete all testing, shipping, labelling and other readiness work required for completing the Phase II Clinical Studies; provided that Ferring shall provide assistance as reasonably requested by I-MAB.

14. WARRANTIES, REPRESENTATIONS, INDEMNIFICATION AND INSURANCE

14.1 Mutual Representations and Warranties. Each Party hereby represents and warrants to the other Party as of the Effective Date as follows:

14.1.1 Corporate Authority. Such Party: (a) has the power and authority and the legal right to enter into this Agreement and perform its obligations hereunder; and (b) has taken all necessary action on its part required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered by such Party and constitutes a legal, valid and binding obligation of such Party and is enforceable against it in accordance with its terms subject to the effects of bankruptcy, insolvency or other laws of general application affecting the enforcement of creditor rights and judicial principles affecting the availability of specific performance and general principles of equity, whether enforceability is considered in a proceeding at law or equity.

14.1.2 Consent and Approvals. To the best of its belief and knowledge, all necessary consents, approvals and authorizations of all Regulatory Authorities and other Persons required to be obtained by such Party in connection with the execution and delivery of this Agreement and the performance of its obligations hereunder have been obtained.

14.1.3 Conflicts. To the best of its belief and knowledge, the execution and delivery of this Agreement and the performance of such Party's obligations hereunder: (a) do not conflict with or violate any requirement of Applicable Law or any provision of the articles of incorporation or bylaws of such Party in any material way; and (b) do not conflict with, violate or breach or constitute a default or require any consent under, any contractual obligation or court or administrative order by which such Party is bound.

14.2 Representations and Warranties of I-MAB. I-MAB represents and warrants to Ferring as follows, as of the Effective Date:

14.2.1 No Debarment. Neither I-MAB nor any of its Affiliates has been debarred or is subject to debarment and neither I-MAB nor any of its Affiliates will use in any capacity, in connection with the activities to be performed under this Agreement, any Person who has been debarred under Applicable Law in the relevant jurisdiction; and

14.2.2 Compliance. I-MAB shall, at all times, comply in all material respects with all Applicable Laws, rules and regulations and standards applicable to the Development Plan.

14.3 Representations and Warranties of Ferring. Ferring represents and warrants to I-MAB as follows, to the best of its belief and knowledge as of the Effective Date:

14.3.1 Title; Encumbrances. It has sufficient legal and/or beneficial title, ownership or license, free and clear from any mortgages, pledges, liens, security interests, conditional and installment sales agreements, encumbrances, charges or claims of any kind, of or to the Sublicensed Intellectual Property to grant the licenses and sublicenses to I-MAB as purported to be granted pursuant to this Agreement;

14.3.2 Notice of Infringement or Misappropriation. It has not received any written notice from any Third Party asserting or alleging that any use of the Licensed Compound or any development of the Licensed Product would infringe, misappropriate or otherwise violate the intellectual property rights of such Third Party;

14.3.3 No Proceeding. There are to the best of its knowledge no pending, and no threatened, adverse actions, suits or proceedings against Ferring involving the Sublicensed Intellectual Property.

14.3.4 No Debarment. Neither Ferring nor any of its Affiliates has been debarred or is subject to debarment and neither Ferring nor any of its Affiliates will use in any capacity, in connection with the activities to be performed under this Agreement, any Person who has been debarred under Applicable Law in the relevant jurisdiction; and

14.3.5 Compliance. Ferring shall, and shall procure its Affiliates to, comply with all Applicable Laws when performing its and their respective obligations under this Agreement.

14.4 No Benefit to Third Parties. The representations, warranties, covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights on any Third Parties.

14.5 Indemnification.

14.5.1 Indemnification by the Parties. Each Party (the **"Indemnifying Party")** shall indemnify and hold harmless the other Party's officers, directors, shareholders, employees, successors and assigns **("Indemnified Party")** from any loss, damage or liability, including reasonable attorney's fees resulting from any claim, complaint, suit, proceeding or course of action brought by or on behalf of an injured Third Party or a spouse, relative or companion of an injured Third Party, against any of them, alleging personal or related injury, including death, loss of service or consortium or a similar such claim, due to such personal injury or death, and arising out of the performance of this Agreement (the **"Loss"),** save that the Indemnifying Party shall not be obliged to indemnify and hold harmless the Indemnified Party in accordance with the terms of this Section 14.5.1 to the extent that such Loss is attributable to the material breach of this Agreement, failure to adhere to Applicable Laws or regulations, or the negligence or willful misconduct of the Indemnified Party.

14.5.2 With respect to any claim for indemnification asserted by the Indemnified Party pursuant to Section 14.5.1:

(a) The Indemnifying Party shall have no obligation to indemnify the Indemnified Party requesting indemnification unless:

(i) the Indemnified Party gives the Indemnifying Party prompt written notice of any claim or lawsuit or other action for which it seeks to be indemnified under this Agreement;

(ii) the Indemnifying Party is granted full authority and control over the defense including settlement against such lawsuit or other action; provided, however, that: (i) such settlement involves only the payment of monetary damages and no injunctive relief binding on the Indemnified Party, and such monetary damages are paid by the Indemnifying Party; (ii) the Indemnified Party is not required under such settlement to admit any liability; and (iii) the Indemnified Party is released from all further liability with respect to such claim; and

(iii) the Indemnified Party co-operates fully with the Indemnifying Party and its agents in defense of the claims or lawsuit or other action.

(b) The Indemnified Party shall have the right to participate, at its sole cost and expense, in the defense of any such claim, complaint, suit proceeding or course of action referred to in this paragraph utilizing legal counsel of its choice, provided however that the Indemnifying Party shall have full authority and control to handle any such claim, complaint, suit, proceeding or course of action, including any settlement or other disposition thereof, for which indemnification has been sought under this Section.

14.5.3 No Consequential Damages: In no event shall either Party be liable or responsible to the other Party under this Agreement for any special, indirect, incidental or consequential loss or damage of any nature whatsoever, including without limitation, any actual or anticipated profits, loss of time, inconvenience, commercial loss, out of pocket expenses reasonably incurred by a Party hereto or any other similar losses.

14.6 Insurance. I-MAB shall secure and keep in force during the term of this Agreement, at its sole cost and expense, a commercial product insurance and clinical trial insurance policy and any other insurance policies as customarily used in the pharmaceutical industry in the Territory and/or Optional Territory, as applicable.

15. ASSIGNMENT

15.1 This Agreement and the licenses and sublicenses herein granted shall be binding upon and inure to the benefit of the successors in interest of the respective Parties.

15.2 Without the prior written consent of the other Party, neither Party shall sell, transfer, assign, delegate, pledge or otherwise dispose of, whether voluntarily, involuntarily, by operation of law or otherwise, this Agreement or any of its rights or duties hereunder; provided that I-MAB may, with such consent, but not to be unreasonably withheld, assign this Agreement and its rights and obligations hereunder to an Affiliate, to the purchaser of substantially all of its assets required for the further Development and Commercialization of the Licensed Products in the Territory and the Optional Territory (as applicable), or to its successor entity or acquirer in the event of a merger, consolidation or change in control of I-MAB. Any attempted assignment or delegation in violation of the preceding sentence shall be void and of no effect. All validly assigned and delegated rights and obligations of the Parties hereunder shall be binding upon and inure to the benefit of and be enforceable by and against the successors and permitted assigns of Ferring or I-MAB, as the case may be. In the event either Party seeks and obtains the other Party's consent to assign or delegate its rights or obligations to another Party, the assignee or transferee shall assume all obligations of its assignor or transferor under this Agreement. Notwithstanding anything herein to the contrary, in no event may Ferring assign or grant a license under any portion of the Sublicensed Intellectual Property in the Territory or Optional Territory (as applicable), or sell, transfer, assign, delegate, pledge or otherwise dispose of, whether voluntarily, involuntarily, by operation of law or otherwise, this Agreement or any of its rights or duties hereunder, to a then existing or prospective direct competitor of I-MAB for the Licensed Product in the Territory or Optional Territory (as applicable). Any attempted assignment, license or delegation in violation of the preceding sentence shall be void and of no effect.

16. INDEPENDENT CONTRACTORS

16.1 It is expressly agreed that Ferring, on the one hand, and I-MAB, on the other hand, shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither Ferring, on the one hand, nor I-MAB, on the other hand, shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other Party to do so, such consent not to be unreasonably conditioned, withheld or delayed. All persons employed by a Party shall be employees of such Party and not of the other Party and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such Party.

17. NOTICES

17.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 17.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party in accordance with this Section 17. Such notice shall be deemed to have been given as of the date delivered by hand or transmitted by facsimile (with transmission confirmed) or on the third Business Day (at the place of delivery) after deposit with an internationally recognized overnight delivery service. Any notice delivered by facsimile shall be confirmed by a hard copy delivered as soon as practicable thereafter. This Section 17 is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

17.2 Address for Notice.

If to I-MAB, to:

***

If to FERRING, to:

***

18. ENTIRE AGREEMENT; WAIVER

18.1 Entire Agreement; Amendments. This Agreement, together with the Schedules attached hereto, sets forth and constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and all prior agreements, understandings, promises and representations, whether written or oral, with respect thereto are superseded hereby, including that certain confidential disclosure agreement between Ferring and I-MAB dated September 25, 2016. Each Party confirms that it is not relying on any representations or warranties of the other Party except as specifically set forth herein. No amendment, modification, release or discharge shall be binding upon the Parties unless in writing and duly executed by authorized representatives of both Parties.

18.2 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by either Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by the other Party whether of a similar nature or otherwise.

18.3 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

18.4 References. Unless otherwise specified; (a) references in this Agreement to any Article, Section or Schedule means references to such Article, Section or Schedule of this Agreement; (b) references in any section to any clause are references to such clause of such section; and (c) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently varied, replaced or supplemented from time to time, as so varied, replaced or supplemented and in effect at the relevant time of reference thereto.

18.5 Construction. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural shall include the singular, the use of any gender shall be applicable to all genders and the word “or” is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term “including” as used herein means including, without limiting the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party.

19. SEVERABILITY

19.1 To the fullest extent permitted by Applicable Law, the Parties waive any provision of law that would render any provision in this Agreement invalid, illegal, or unenforceable in any respect. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, in any respect, then such provision will be given no effect by the Parties and shall not form part of this Agreement. To the fullest extent permitted by Applicable Law and if the rights or obligations of either Party will not be materially and adversely affected, all other provisions of this Agreement shall remain in full force and effect, and the Parties shall use their best efforts to negotiate a provision in replacement of the provision held invalid, illegal, or unenforceable that is consistent with Applicable Law and achieves, as nearly as possible, the original intention of the Parties.

20. FURTHER ASSURANCE AND REGISTRATION

20.1 **Further Assurance.** Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

20.2 Registration. Either Party shall have the right at any time to record, register or otherwise notify (collectively, "Register") this Agreement with or to appropriate governmental or regulatory offices after having first given thirty (30) days' written notice to the other Party of its intention so to do; provided however, that if feasible, such Registration shall be made pursuant to confidentiality protections, if available, and otherwise, except as may be required under law, all financial and other material and sensitive business terms of this Agreement shall be redacted from any copy of this Agreement that is to Registered. The other Party shall provide reasonable assistance in effecting such Registration.

21. GOVERNINGLAW; RELIEF

21.1 Governing Law. This Agreement shall be governed by, and construed in accordance with Swiss law, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. The Parties agree to exclude the application to this Agreement of the United Nations Convention on Contracts for the International Sale of Goods.

21.2 Injunctive Relief. Notwithstanding anything to the contrary in this Agreement, either Party shall be entitled to seek interim relief from, and bring suit before, any court of competent jurisdiction based on the cause of action of intellectual property infringement.

21.3 Equitable Relief. The Parties acknowledge and agree that the restrictions set forth in Section 5 are reasonable and necessary to protect the legitimate interests of the Parties and that neither Party would not have entered into this Agreement in the absence of such restrictions imposed on the other Party by these provisions, and that any breach or threatened breach of any provision of Section 5 may result in irreparable injury to the non-breaching Party for which there will be no adequate remedy at law. Notwithstanding anything to the contrary in this Agreement, in the event of a breach or threatened breach of any provision of Section 5, the non-breaching Party shall be authorized and entitled to obtain from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance and an equitable accounting of all earnings, profits and other benefits arising from such breach, which rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. To the maximum extent permitted under Applicable Law, both Parties agree to waive any requirement that the other Party: (a) post a bond or other security as a condition for obtaining any such relief; and (b) show irreparable harm, balancing of harms, consideration of the public interest or inadequacy of monetary damages as a remedy. Nothing in this Section 21.3 is intended, or should be construed, to limit either Party's right to equitable relief or any other remedy for a breach of any other provision of this Agreement.

22. FORCE MAJEURE

22.1 If either Party is prevented from complying, either totally or in part, with any of the terms or provisions of this Agreement, by reason of a Force Majeure, then, upon written notice by the Party liable to perform to the other Party, the requirements of this Agreement or such of its provisions as may be affected (excluding, however, any obligation to pay money) and to the extent so affected, shall be suspended during the period of such Force Majeure; provided, that the Party asserting a Force Majeure shall bear the burden of establishing the existence of the Force Majeure, shall use its best efforts to remove the Force Majeure, shall continue performance with dispatch whenever such causes are removed, and shall notify the other Party of the Force Majeure not more than ten (10) calendar days from the time of the event; provided, however, that the Party not asserting the Force Majeure shall have the right, upon payment of all sums due and owing under this Agreement, to terminate the Agreement upon written notice to the Party asserting the Force Majeure if the Force Majeure continues for more than three (3) months.

23. DISPUTE RESOLUTION

23.1 **Dispute Resolution.** If a dispute arises between the Parties in connection with the interpretation, validity or performance of this Agreement or any document or instrument delivered in connection herewith (a **"Dispute"),** then either Party shall have the right to refer such dispute to the Parties' executive officers for attempted resolution by good faith negotiations during a period of thirty (30) days. Any final decision mutually agreed to by the executive officers shall be conclusive and binding on the Parties. If such executive officers are unable to resolve such Dispute within such thirty-day period, the Dispute will be settled by the Courts of the city of Lausanne. Either Party may enter such award in a court having competent jurisdiction and any Party to the Dispute may apply to a court of competent jurisdiction for enforcement of such award.

23.2 **Continuing Performance.** The Parties agree to continue performing their respective obligations under this Agreement to the extent practicable while any Dispute is being resolved hereunder unless and until such obligations are terminated or expire in accordance with the provisions hereof

24. EXECUTION IN COUNTERPARTS

24.1 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile or other electronic signatures and such signatures shall be deemed to bind each Party as if they were original signatures.

[SIGNATURE PAGE FOLLOWS]

This Agreement is executed by the authorized representatives of the Parties as of the Effective Date.

FERRING INTERNATIONAL CENTER SA

/s/ Ferring International Center SA
Print name:***
Title:***
Date: 04/11/2016

/s/ Ferring International Center SA
Print name: ***
Title: ***
Date: 04/11/2016

I-MAB

/s/ I-Mab
Print name: ***
Title: ***
Date: 04/11/2016

Schedule A

Licensed Know-How

[***]

Schedule B

[***]

Schedule C

Materials as of the Effective Date + additional shelf line testing

[***]

THE SYMBOL "[***]" DENOTES PLACES WHERE CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL, AND (ii) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED

COLLABORATION AGREEMENT

This Collaboration Agreement ("**Agreement**"), effective as of July 9, 2019 (the "**Effective Date**"), is entered into by and between MacroGenics, Inc., a Delaware corporation with a place of business at 9704 Medical Center Drive, Rockville, MD 20850, USA ("**MacroGenics**"), and I-MAB Biopharma, US Limited, a Maryland corporation with a place of business at 9801 Washingtonian Blvd., Suite 710, Gaithersburg, MD 20878, USA ("**I-MAB**"). MacroGenics and I-MAB may be referred to herein individually as a "**Party**" or collectively as the "**Parties**."

Recitals:

A. MacroGenics has expertise in, and platforms for, the discovery and development of products for the treatment of patients with cancer, inflammatory and infectious diseases.

B. I-MAB conducts research and development with respect to pharmaceutical products.

C. I-MAB and MacroGenics desire to enter into collaboration for the development of MacroGenics' Fc-optimized Antibody that targets B7-H3 known as enoblituzumab, including in combination with other agents such as the anti-PD-1 Antibody known as MGA012, and if approved for commercialization, the commercialization of the Product (defined below) in the Territory, all upon the terms and conditions set forth in this Agreement.

D. MacroGenics desires to grant to I-MAB, and I-MAB desires to receive, an exclusive license for all Indications in the Field for all pharmaceutical forms of the Product in the Field for the Territory, upon the terms and conditions set forth in this Agreement.

In consideration of the foregoing premises and the mutual covenants herein contained, the Parties hereby agree as follows:

Agreement:

1. DEFINITIONS.

Unless specifically set forth to the contrary herein, the following capitalized terms, whether used in the singular or plural, shall have the respective meanings set forth below:

1.1 "**Acting Improperly**" has the meaning set forth in Section 4.4(a).

1.2 "**Affiliate**" means with respect to any Party, any person or entity controlling, controlled by or under common control with such Party. For purposes of this Section 1.2, "control" means (a) in the case of a corporate entity, direct or indirect ownership of at least fifty percent (50%) or more of the stock or shares having the right to vote for the election of directors of such corporate entity and (b) in the case of an entity that is not a corporate entity, the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

1.3 "**Antibody**" means a [***] molecule [***] and comprises or contains: (a) [***]; (b) fragments, variants, modifications or derivatives of such immunoglobulin variable domains; and(c) the nucleic acid consisting of a sequence of nucleotides encoding (or complementary to a nucleic acid encoding) the foregoing molecules in (a) or (b).

1.4 "**Anti-Corruption Laws**" means the U.S. Foreign Corrupt Practices Act, as amended, the UK Bribery Act 2010, as amended, and any other applicable anti- corruption laws and laws for the prevention of fraud, racketeering, money laundering or terrorism, including those within the Territory.

1.5 "**Audit**" has the meaning set forth in Section 4.4(f).

1.6 "**Applicable Laws and Regulations**" means all international, national, federal, state, regional, provincial, municipal and local government laws, rules, and regulations that apply to either Party or to the conduct of the Collaboration under this Agreement including cGMP, GCP, GBPS, and the laws, rules and regulations of the ICH, the United States and the Territory, each as may be then in effect, as applicable and amended from time to time.

1.7 "**Biosimilar Product"** means, with respect to a Product (but specifically excluding any MGA012 component thereof) sold in a Country or Region, a product that: (a) is marketed by a Third Party that has not obtained the rights to such product as a Sublicensee or distributor of, or through any other contractual relationship with, I-MAB or any of its Affiliates or Sublicensees; contains the same or substantially similar amino acid sequence as the applicable Product; and with respect to a Region or Country of the Territory, has been granted Regulatory Approval as a biosimilar or interchangeable biological product by the applicable Regulatory Authority in such Region or Country according to a biosimilar regulatory pathway that is materially equivalent to that of Section 351(k) of the US Public Health Service Act (42 U.S.C. § 262(k)), as may be amended, or any subsequent or superseding law, statute or regulation.

1.8 "**BLA**" means (a) a Biologics License Application or New Drug Application ("**NDA**") filed with the FDA for marketing approval of a Product or any successor applications or procedures, and all supplements and amendments that may be filed with respect to the foregoing, or similar filings outside the Territory with applicable Regulatory Authorities, for approval to commercially market, import and sell a Product, or (b) similar filings in the Territory with applicable Regulatory Authorities, including the CFDA, for approval to commercially market, import and sell a Product. The term BLA shall exclude pricing and reimbursement approvals.

1.9 "**Business Day**" means a day on which banking institutions in Washington, DC, USA and Beijing, PRC are open for business, excluding any Saturday or Sunday.

1.10 "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.11 "**Calendar Year**" means the respective periods of twelve (12) months commencing on January 1 and ending on December 31.

1.12 "**CFDA**" means China Food and Drug Administration, or any successor agency thereto.

1.13 "**cGMP**" or "**current Good Manufacturing Practices**" means current Good Manufacturing Practices as set forth in the FDCA and the Public Health Service Act (the "**PHS Act**"), and in regulations at 21 C.F.R. Parts 210, 211 and 600, as in effect at the time when any clinical trial regarding a Product is being conducted, provided, and to the extent applicable to such clinical trial, as such regulations are interpreted and enforced by the FDA, including as set forth in applicable guidance documents issued by the FDA, and in accordance with applicable, generally accepted industry standards, and the equivalent legal requirements in other applicable jurisdictions, including within the Territory, all as the same may be amended from time to time.

1.14 "**Clinical Data**" means all data generated or arising from the conduct of a Clinical Trial or other Development efforts under this Agreement.

1.15 "**Clinical Trial**" means a Phase I Clinical Trial, Phase II Clinical Trial, Phase III Clinical Trial, Phase IV Clinical Trial or Registration Trial, as applicable.

1.16 "**CMC**" means chemistry, manufacturing and controls.

1.17 "**CMO**" means a contract manufacturing organization.

1.18 "**Collaboration**" means the program established under this Agreement, which includes collaborative Development of the Product.

1.19 "**Combination Product**" means (a) any single product comprising both (i) Enoblituzumab and (ii) one or more other therapies or pharmaceutically active compounds or substances not included in the MacroGenics Licensed Technology; (b) any sale of the Product with another therapy(ies) or product(s) for a single invoice price; or (c) any sale of the Product as part of a bundle with other therapy(ies), product(s) or service(s) (*i.e.*, where the Product and such other therapy(ies), product(s) or service(s) are sold for a single invoice price or where a discount, rebate or other amount that reduces the price of the Product is provided in exchange for (or otherwise conditioned upon) the purchase of such other therapy(ies), product(s) or services), to the extent not described in clause (a) or (b). The Enoblituzumab portion of any Combination Product shall be deemed the "**Licensed Component**" and the other portion of such Combination Product [***] shall be deemed the "**Other Component**", and each Combination Product shall be deemed a Product hereunder. For the avoidance of doubt, [***].

1.20 "**Combination Regimen**" means a therapeutic combination comprising MGA012 and Enoblituzumab in concurrent or sequential administration.

1.21 "**Combination Regimen Study**" means, a Clinical Trial of a Combination Regimen conducted under the Global Development Plan or Territory Specific Development Plan in the Field in the Territory.

1.22 "**Commercial Supply Agreement**" has the meaning set forth in Section 5.1(b).

1.23 "**Commercialization**" or "**Commercialize**" means activities taken before and after obtaining Regulatory Approval relating specifically to the pre-launch, launch, promotion, marketing, sales force recruitment, sale and distribution of a pharmaceutical product and post- launch medical activities, including: (a) distribution for commercial sale; (b) strategic marketing, sales force detailing, advertising, and market and product support; (c) medical education and liaison and any Phase IV Clinical Trials, to the extent permitted by this Agreement; (d) all customer support and product distribution, invoicing and sales activities; and (e) all post-approval regulatory activities, including those necessary to maintain Regulatory Approvals.

1.24 "**Commercialization Plan**" means a Commercialization plan, to be updated from time to time and which shall include: (a) periodic sales forecasts by revenue and volume of material; (b) pricing, rebating, and discounting assumptions; (c) sales force deployment estimates; (d) a marketing plan; and (e) other elements as reasonably requested by MacroGenics.

1.25 "**Commercially Reasonable Efforts**" means with respect to the efforts to be expended by a Party with respect to any objective under this Agreement, reasonable, good faith efforts to accomplish such objective as such Party would normally use to accomplish a similar objective of such Party under similar circumstances, it being understood and agreed that with respect to the Development or Commercialization of the Product, such efforts shall be similar to those efforts and resources commonly used by pharmaceutical or biopharmaceutical companies, as applicable, of comparable size and resources to such Party for a similar biological or pharmaceutical product owned by it or to which it has rights, which product is at a similar stage in its development or product life and is of similar market potential taking into account efficacy, safety, approved labeling, the competitiveness of alternative products in the marketplace, the patent and other proprietary position of the product, and the likelihood of Regulatory Approval given the regulatory structure involved.

1.26 "**Completion**" or "**Completed**" for a clinical trial means the database lock for such clinical trial.

1.27 "**Confidential Information**" means any and all non-public scientific, pre-clinical, clinical, regulatory, manufacturing, marketing, financial and commercial information and data, in any tangible or intangible form, including all Know-How subject to Section 10.

1.28 "**Control**," "**Controls**" or "**Controlled by**" means (except as used in Section 1.2), with respect to any item of or right under Patents or Know-How, the extent of the ability of a Party (whether through ownership or license, other than pursuant to this Agreement) to grant access to, or a license or sublicense of, such item or right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party existing at the time such Party would be required hereunder to grant the other Party such access or license or sublicense.

1.29 "**Co-Owned Clinical Data**" has the meaning set forth in Section 3.7.

1.30 "**Cost Reimbursement Amounts**" has the meaning set forth in Section 13.5(b)(iv).

1.31 "**Country**" means for the purposes of this Agreement each of PRC and Taiwan.

1.32 "**Cover**" means, with respect to a product, technology, process or method, that, in the absence of possession of the right (by ownership, license or otherwise) under a Valid Claim, the practice or exploitation of such product, technology, process or method would infringe such Valid Claim (or, in the case of a Valid Claim that has not yet issued, would infringe such Valid Claim if it were to issue).

1.33 "**CRO**" means a clinical research organization.

1.34 "**CTA**" means a Clinical Trial Application or its equivalent used to obtain approval to conduct human clinical investigations filed with or submitted to a Regulatory Authority in order to establish the clinical safety or efficacy of one or more investigational products in conformance with the requirements of such Regulatory Authority.

1.35 "**Data Exclusivity Period**" means the period during which the CFDA (or, in regions or countries other than the PRC, an equivalent Regulatory Authority) prohibits reference, without the consent of the owner of a BLA, to the clinical and other data that is contained in such BLA, and that is not published or publicly available outside of such BLA.

1.36 "**Deadlock**" has the meaning set forth in Section 2.1(d).

1.37 "**Depot Subcontractor**" means any subcontractor [***] to supply a Clinical Trial.

1.38 "**Develop**" or "**Development**" or "**Developing**" means research, discovery, and preclinical and clinical drug or biological development activities, including toxicology, formulation, statistical analysis, preclinical and clinical studies and regulatory affairs, approval and registration, in each case, of products in the Field. "Development" shall specifically exclude Manufacturing.

1.39 "**Development Costs**" means all costs incurred in connection with any Development activities, including (i) [***], (ii) [***], (iii) [***], (iv) [***], (v) [***], (vi) [***], (vii) [***], (viii) [***], and [***] related to any [***], and (ix) [***].

1.40 "**Dispute**" means any dispute, claim, or controversy (other than matters that are within the decision-making authority of the JSC or a Party pursuant to Section 2.1(d), or are expressly stated herein to require the consent of both Parties) arising from or related to this Agreement or to the interpretation, application, breach, termination, or validity of this Agreement, including any claim of inducement of this Agreement by fraud or otherwise.

1.41 "**Enoblituzumab**" means the therapeutic Antibody which binds to the B7-H3 receptor described in [***].

1.42 "**Executive Officer**" means, with respect to either Party, the Chief Executive Officer of such Party (or his or her designee).

1.43 "**Existing CDA**" has the meaning set forth in Section 16.7.

1.44 "**FDA**" means the United States Food and Drug Administration, or any successor agency thereto.

1.45 "**FDCA**" means the Federal Food, Drug and Cosmetic Act, as amended.

1.46 "**Field**" means all fields of use (including treatment and diagnosis), provided, however, that in the case of a Product covered by a Patent or other intellectual property right licensed in one or more MacroGenics Third Party Agreement(s), "Field" shall be limited to the minimum extent necessary to comply with the terms of such MacroGenics Third Party Agreement for so long as such limitation is necessary to avoid a breach of the MacroGenics Third Party Agreement.

1.47 "**Finance Officers**" has the meaning set forth in Section 3.5(c).

1.48 "**First Commercial Sale**" means, with respect to the Product, the first sale to a Third Party for end use or consumption of such Product in the Territory after Regulatory Approval has been granted by the Regulatory Agency for the Product in the Territory other than any sale of the Product for use in a Clinical Trial.

1.49 "**FTE**" means [***] devoted to or in direct support of Manufacturing, conducted by one or more qualified employees of MacroGenics or its Affiliate. For clarity, any individual contributing less than [***] (or equivalent pro-rata portion thereof for the period beginning on the Effective Date and ending on the last day of the first Calendar Year) shall be deemed a fraction of an FTE on a pro-rata basis.

1.50 "**FTE Cost**" means, with respect to any, the FTE Rate multiplied by the number of FTEs expended by MacroGenics or its Affiliate during such period; provided that I-MAB shall not be charged twice for any FTE Cost if such FTE Cost is already included as a component of Manufacturing expenses payable under this Agreement.

1.51 "**FTE Rate**" means a rate of [***] per FTE per Calendar Year (pro-rated for the period beginning on the Effective Date and ending on the last day of the first Calendar Year); provided, however, that such rate shall be increased or decreased annually beginning on [***] by the applicable CPI Adjustment. The FTE Rate includes all direct and indirect costs, i.e., is fully burdened and covers costs including, but not limited to, employee salaries, benefits, travel and other such costs, in each case treated in a manner consistent with MacroGenics' accounting policies consistently applied and in accordance with generally accepted accounting practices in the United States (with respect to MacroGenics) and international financial reporting standards (with respect to I-MAB).

1.52 "**Force Majeure**" has the meaning set forth in Section 16.1.

1.53 "**Fully Burdened Manufacturing Cost**" or "**FBMC**" means, with respect to the Product and [***] of MacroGenics or its Affiliates hereunder, [***]%) of (1) MacroGenics' cost to Manufacture, if Manufactured by MacroGenics or its Affiliates or (2) the actual Third Party costs of such Manufacturing incurred by MacroGenics or its Affiliates, if Manufactured by a Third Party, in each case ((1) and (2)) as determined for each stage of the manufacturing process, including [***] (except, in the case of (1), to the extent attributable to MacroGenics' or any of its Affiliates' negligence or willful misconduct, or in the case of (2), to the extent MacroGenics or any of its Affiliates receive a refund, credit or other recovery from such Third Party), all in accordance with GAAP. Such Fully Burdened Manufacturing Cost shall include the following incurred by or on behalf of MacroGenics or its Affiliates and reasonably allocated to the Product and [***]:

(a) FTE Costs and costs of consultants, contractors or other personnel performing Manufacturing or supply activities;

(b) direct materials costs (including costs of vials, labeling and packaging);

(c) raw materials and reagents costs specifically for actual manufacturing of goods and raw material warehouse costs;

(d) operating costs of facilities and equipment (including start up and cleaning costs of production), excluding any surplus or idle capacity costs;

(e) a charge for depreciation, repairs and maintenance costs of facilities and equipment, excluding any surplus or idle capacity costs;

(f) quality and in-process control costs;

(g) a charge for overhead costs proportional to the total daily rate for the plant for manufacturing plant administration and plant management, materials management, storage and handling, manufacturing and employee training, and all administrative costs associated with the manufacturing operation of the site (including human resources, information technology and finance costs; raw material and raw material warehouse costs shall be charged directly to the process order);

(h) charges for spoilage, scrap or rework costs; and

(i) charges for shipping (including all duties and import fees).

1.54 "**GAAP**" means U.S. Generally Accepted Accounting Principles as the same may be in effect from time to time.

1.55 "**GBPS**" means the General Biological Products Standards as set forth in 21 C.F.R. Part 610, to the extent applicable to the Collaboration.

1.56 "**GCP**" or "**Good Clinical Practices**" means current Good Clinical Practices as set forth in the Applicable Laws and Regulations, such as FDCA and the PHS Act and regulations set forth at 21 C.F.R. Part 312, as well as (but not limited to) the requirements set forth in Directive 2001/20/EC of the European Parliament and of the Council of 4 April 2001 and Commission Directive 2005/28/EC of 8 April 2005, to the extent applicable to a clinical trial regarding any Product, as such obligations are interpreted and enforced by the applicable Regulatory Authority (*e.g.*, FDA and Member States of the European Union), and as interpreted under prevailing industry standards, including standards of medical ethics, applicable guidance documents issued by the FDA and any other Regulatory Authority, including ICH GCP, the informed consent requirements set forth in 21 C.F.R. Part 50 and the equivalent legal requirements in other applicable jurisdictions, the requirements relating to Institutional Review Boards set forth in 21 C.F.R. Part 56 and the equivalent legal requirements in other applicable jurisdictions, including within the Territory, all as the same may be amended from time to time.

1.57 "**Global Branding Strategy**" has the meaning set forth in Section 4.2.

1.58 "**Global Development Plan**" means the written Development plan attached to this Agreement as Exhibit C intended to support Development and Regulatory Approval of the Product in the Field both within the Territory and outside of the Territory, as may be updated and amended periodically in form and substance approved by the JSC in accordance with Section 3.2 and otherwise at times requested by the JDC or JSC.

1.59 "**GLP**" or "**Good Laboratory Practices**" means the recognized rules governing the conduct of non-clinical safety studies and ensuring the quality, integrity and reliability of study data as set forth in Applicable Laws and Regulations, such as 21 C.F.R. Part 58, and the equivalent legal requirements in other applicable jurisdictions, including within the Territory, all as the same may be amended from time to time.

1.60 "**Government Official**" means any Person employed by or acting on behalf of a government, government-owned or -controlled entity or public international organization; any political party, party official or candidate; any Person who holds or performs the duties of an appointment, office or position created by custom or convention; and any Person who holds himself out to be the authorized intermediary of any of the foregoing.

1.61 "**Health Insurance Portability and Accountability Act**" or "**HIPAA**" means the act enacted by the U.S. Congress in 1996 and took effect in 2003 that strictly dictates the parameters that identifiable private health information (PHI) can be shared outside of the research environment, as amended.

1.62 "**ICH**" means the International Conference on Harmonisation.

1.63 "**I-MAB Indemnitees**" has the meaning set forth in Section 12.2.

1.64 "**I-MAB Licensed Know-How**" means all Know-How (excluding any Patent) Controlled by I-MAB as of the Effective Date or at any time during the Term that is: (a) related to the Product (including MGA012 as a component of a Combination Regimen); and (b) incorporated or used by I-MAB in connection with the Development or Commercialization of the Product and MGA012 as a component of a Combination Regimen in the Territory; and (c) necessary or reasonably useful for MacroGenics to exercise the rights licensed to or retained by it under this Agreement or perform its obligations under this Agreement. The term I-MAB Licensed Know- How shall also be deemed to include I-MAB's interest in any Know-How jointly owned pursuant to Section 13.1(c).

1.65 "**I-MAB Licensed Patents**" means any and all Patents Controlled by I-MAB as of the Effective Date or at any time during the Term that: (a) are related to any data, result or invention conceived, created or reduced to practice in the course of conducting the Collaboration solely by or on behalf of I-MAB specifically in relation to the Product or Combination Regimen (including in relation to MGA012 as a component of a Combination Regimen) and (b) I-MAB's interest in any Patent jointly owned pursuant to Section 13.1(c).

1.66 "**I-MAB Outside Cost Share**" means, subject to the information sharing requirement set forth in Section 2.1(b)(vii), twenty percent (20%) of all Outside Development Costs incurred after the Effective Date and related to (i) activities supporting a MacroGenics Global Clinical Trial in which I-MAB participates, (ii) process characterization (PC) and process validation (PV) for material that is intended to be incorporated into Clinical Trials conducted in the Territory, or (iii) companion diagnostic development and validation for Indications that are being studied in the Territory.

1.67 "**I-MAB Product-Specific Patents**" has the meaning set forth in Section 13.2(b)(i).

1.68 "**Improvement Plan**" has the meaning set forth in Section 4.4(c)(i).

1.69 "**Incyte Agreement**" means that certain Global Collaboration and License Agreement between MacroGenics and Incyte Corporation effective as of October 24, 2017 as may be amended or restated from time to time.

1.70 "**IND**" means an Investigational New Drug application, or similar application or submission for approval to conduct human clinical investigations filed with or submitted to a Regulatory Authority in conformance with the requirements of such Regulatory Authority.

1.71 "**Indemnifying Party**" means the Party that is obligated to indemnify the Indemnitee under Section 12.

1.72 "**Indemnitee**" means either the I-MAB Indemnitee or the MacroGenics Indemnitee, as applicable.

1.73 "**Independent Ethics Committee**" or "**IEC**" means an independent body (a review board or a committee, institutional, regional, national, or supranational), constituted of medical professionals and non-medical members, whose responsibility it is to ensure the protection of the rights, safety and well-being of human subjects involved in a trial and to provide public assurance of that protection, by, among other things, reviewing and approving / providing favorable opinion on, the trial protocol, the suitability of the investigator(s), facilities, and the methods and material to be used in obtaining and documenting informed consent of the trial subjects. The legal status, composition, function, operations and regulatory requirements pertaining to IEC may differ among countries, but should allow the Independent Ethics Committee to act in agreement with GCP as described in this guideline.

1.74 "**Indication**" means a discrete clinically recognized form of a disease, [***]. For the sake of clarity, treatment of different subpopulations within a population of patients having a disease shall not be treated as a separate Indication based on different lines of treatment (*e.g.*, front-line treatment vs. second-line treatment).

1.75 "**Investigational Review Board**" or "**IRB**" means in accordance with 45 C.F.R. 46, Protection of Human Subjects (Revised November 13, 2001) and 21 C.F.R. 45, Subpart C, IRB Functions and Operations, (as amended June 18, 1991 and other applicable regulations), an independent body comprising medical, scientific, and nonscientific members, whose responsibility is to ensure the protection of the rights, safety, and well-being of the subjects involved in a clinical trial. It may also be referred to as an IEC in accordance with ICH E6, Section 1.27.

1.76 "**Involved Party**" has the meaning set forth in Section 16.2.

1.77 "**Joint Commercialization Committee**" or "**JCC**" has the meaning set forth in Section 2.1(h)(ii)(1).

1.78 "**Joint Development Committee**" or "**JDC**" has the meaning set forth in Section 2.1(h)(i)(1).

1.79 "**Joint Steering Committee**" or "**JSC**" has the meaning set forth in Section 2.1(a).

1.80 "**Jointly Owned IP**" has the meaning set forth in Section 13.1(c).

1.81 "**Jointly Owned Patents**" has the meaning set forth in Section 13.2(b)(i).

1.82 "**Know-How**" means (a) any proprietary scientific or technical information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, including databases, practices, methods, techniques, specifications, formulations, formulae, knowledge, know-how, skill, experience, test data including pharmacological, medicinal chemistry, biological, chemical, biochemical, toxicological and clinical test data, analytical and quality control data, stability and safety data, assays, studies and procedures, and manufacturing process and development information, results and data, and investigator brochures, all reports, statistical analyses, expert opinions and any other data and information, and (b) any proprietary biological, chemical or physical materials.

1.83 "**Licensed Component**" has the meaning set forth in Section 1.19.

1.84 "**Licensing Transaction**" has the meaning set forth in Section 10.3(d)(ii)(C).

1.85 [***] means that certain License Agreement by and between [***] and MacroGenics, Inc. effective as of [***] as may be amended or restated from time to time.

1.86 "**Losses**" has the meaning set forth in Section 12.1.

1.87 "**MacroGenics Global Clinical Trial**" means a global Phase III Clinical Trial for the Product undertaken, by MacroGenics or its Affiliates or permitted assigns or licensees which includes one or more investigator sites within and outside the Territory.

1.88 "**MacroGenics Indemnitee**" has the meaning set forth in Section 12.1.

1.89 "**MacroGenics Licensed Know-How**" means the Know-How (excluding any Patents) that is Controlled by MacroGenics as of the Effective Date or at any time during the Term, that is: (a) related to the Product, including in the Combination Regimen that includes MGA012 (but not MGA012 itself) and (b) necessary or reasonably useful for I-MAB to exercise the rights licensed to it pursuant to this Agreement or to perform its obligations under this Agreement with respect to the Territory. "MacroGenics Licensed Know-How" shall specifically exclude any Know-How licensed by MacroGenics under the [***].

1.90 "**MacroGenics Licensed Patents**" means the Patents in the Territory Controlled by MacroGenics as of the Effective Date or at any time during the Term that: (a) claim the composition of matter of the Product, including in the Combination Regimen that includes [***] (b) would be infringed by Developing or Commercializing Enoblituzumab or any Product, including as a component of the Combination Regimen (but not the Development or Commercialization [***]) but for the license granted hereunder, (c) would be infringed by use of [***] in a Combination Regimen but for the license granted hereunder, or (d) are otherwise necessary or reasonably useful for I-MAB to Develop and Commercialize the Product in accordance with this Agreement, including as a component of the Combination Regimen (but not the Development or Commercialization [***]). The MacroGenics Licensed Patents existing as of the Effective Date are listed in Exhibit A attached hereto. "MacroGenics Licensed Patents" shall include MacroGenics' interest in any Patents deemed jointly owned pursuant to Section 13.1(c), but shall specifically exclude any Patents licensed by MacroGenics under the [***].

1.91 "**MacroGenics Licensed Technology**" means the MacroGenics Licensed Patents and the MacroGenics Licensed Know-How.

1.92 "**MacroGenics Licensed Trademarks**" means any and all Trademarks Controlled by MacroGenics as of the Effective Date or at any time during the Term, (i) that are registered for or apply to a Product; and (ii) as otherwise listed on Exhibit B.

1.93 "**MacroGenics Outside Cost Share**" has the meaning set forth in Section 3.5(b).

1.94 "**MacroGenics Third Party Agreement**" means each of (i) the [***], (ii) the Incyte Agreement, and (iii) such other license agreements between MacroGenics and its Third Party licensor pursuant to which MacroGenics in-licenses intellectual property from such Third Party that is included within the MacroGenics Licensed Technology and identified as such in writing by MacroGenics to I-MAB (collectively referred to as the "**MacroGenics Third Party Agreements**").

1.95 **"MacroGenics Product-Specific Patent**" means each MacroGenics Licensed Patent that solely and exclusively Covers (*i.e.*, that does not also Cover the composition of matter of, or the method of using, any other product): (a) the [***], or (b) the [***], in each case ((a) and (b)) in the Territory, but excluding all MacroGenics Licensed Patents that Cover MGA012 (including its use), in whole or in part, (including as a component of a Combination Regimen).

1.96 "**Major Safety Issue**" means, with respect to a Product, any of the following: (a) an [***] of a Product, or receipt or generation by a Party of any [***] or other data, indicating or signaling, as measured by [***] and methodology customarily used by a majority of clinicians conducting studies on similar products in the applicable region (including Region) or country (including Country), that such Product has or would have serious enough risks for medical applications in humans to require a [***]; or (b) any notice, information or correspondence received by a Party from a Regulatory Authority, or any action taken by a Regulatory Authority, in each case, indicates that [***] or, if [***], the [***] therefor would [***], or causes the [***] or, if [***], to be [***].

1.97 "**Manufacture**" or "**Manufacturing**" means all operations involved in the manufacturing (including process development, process characterization (PC) and process validation (PV)), quality assurance and quality control testing (including test method development and in-process, release and stability testing, if applicable), storage, releasing, packaging and importation of the Product or MGA012 to supply the Product or MGA012 for Development of the Product under the Global Development Plan and the Territory Specific Development Plan and Commercialization under the Commercialization Plan. For purposes of clarification "Manufacturing" is not included in Development or Commercialization.

1.98 "**MGA012**" means the anti-PD-1 Antibody coded as "MGA012", as further described in [***].

1.99 "**MGA012 Commercial Forecasts**" has the meaning set forth in Section 5.1(a).

1.100 "**Milestone Payment**" has the meaning set forth in Section 7.2(a).

1.101 "**Net Sales**" means the gross amount invoiced for the Product sold by I-MAB or its Related Parties, in the Territory initially and directly to Third Parties which are not Related Parties after deducting, if not previously deducted, from the amount invoiced, the following, in each case to the extent included in the gross invoice price:

(a) reasonable trade, quantity and cash discounts and rebates (including wholesaler inventory management fees), chargebacks, and retroactive price reductions or allowances actually allowed or granted from the billed amount;

(b) credits or allowances actually granted upon claims, rejections or returns of such sales of the Product, including recalls and amounts credited or repaid because of retroactive price reductions specifically identifiable to the Product;

(c) taxes imposed on the production, sale, import, delivery or use of the Product (including sales, use, excise or value added taxes but excluding income taxes), duties or other governmental charges (including charges for product testing required for importation) levied on or measured by the billing amount when included in billing, as adjusted for rebates and refunds; and

(d) costs incurred for importing (including transportation, freight and insurance, and warehousing in the Territory);

(e) rebates or discounts on sales of Products given to health insurance and other types of payers in any given country of the Territory due to specific agreement ("claw-back" type of agreements) with respect to the Products; and

(f) the actual amount of any write-offs for bad debt in accordance with standard practices for writing off uncollectible amounts consistently applied; provided with respect to such write-off that (i) any deduction taken pursuant to this Section 1.101(f) may not exceed [***] ([***]%) of Net Sales in any given Calendar Quarter and (ii) an amount subsequently recovered or reversed with respect to such write-off will be treated as Net Sales in the quarter in which it is recovered or reversed.

For the avoidance of doubt, if a single item falls into more than one of the categories set forth in clauses (a)-(f) above, such item may not be deducted more than once.

Such amounts shall be determined from the books and records of I-MAB or its Related Party, maintained in accordance with International Financial Reporting Standards (IFRS) or such similar accounting principles, consistently applied. I-MAB further agrees, in determining such amounts, it shall use I-MAB's then-current standard procedures and methodology. Notwithstanding the foregoing, any conversion of foreign currency sales into U.S. Dollars will be made at the conversion rate existing in the United States [***]. Without limiting the generality of the foregoing, non-invoiced transfers or dispositions of Product for charitable, compassionate use, promotional (including samples, in amounts reasonably customary in the industry), non-clinical, clinical, or regulatory purposes shall be excluded from Net Sales, as will sales or transfers of Product among a Party and its Related Parties unless such Party or Related Party is the end user of such Product, but rather the Net Sales shall be deemed to have arisen upon the subsequent sale or transfer of Product to Third Parties.

If I-MAB or any of its Related Parties sells a Product as a Licensed Component of a Combination Product in the Territory in any Calendar Quarter, then Net Sales shall be calculated by multiplying the Net Sales of the Combination Product during such Calendar Quarter by the fraction A/(A+B), where A is the average Net Sales per unit sold of the Licensed Component when sold separately in the Territory during such Calendar Year (calculated by determining the Net Sales of the Licensed Component during such Calendar Quarter in accordance with the definition of Net Sales set forth herein and dividing such Net Sales by the number of units of the Licensed Component during such Calendar Quarter) and B is the average Net Sales per unit sold of the Other Component(s) included in the Combination Product when sold separately during such Calendar Quarter (calculated by determining the Net Sales of such Other Component(s) sold during such Calendar Quarter by applying the definition of Net Sales set forth herein as if it applied to sales of such Other Component(s) and dividing such Net Sales by the number of units of such Other Component(s) sold during such Calendar Quarter).

For purposes of calculating the average Net Sales per unit sold of a Licensed Component and Other Component(s) of a Combination Product, any of the deductions described herein that apply to such Combination Product shall be allocated among sales of the Licensed Component and sales of the Other Component(s) included in such Combination Product as follows: (i) deductions that are attributable solely to the Licensed Component or one of the Other Component(s) shall be allocated solely to Net Sales of the Licensed Component or such Other Component, as applicable, and (ii) all other deductions shall be allocated among sales of the Licensed Component and sales of the Other Component(s) in proportion to I-MAB 's and MacroGenics' mutual agreement of the fair market value of the Licensed Component and the Other Component(s).

In the event that no separate sales of the Licensed Component or any Other Component(s) included in a Combination Product are made by I-MAB or its Related Parties, during a Calendar Quarter in which such Combination Product is sold, the average Net Sales per unit sold in the above described equation shall be replaced with I-MAB 's and MacroGenics' mutual agreement of the fair market value of the Licensed Component and each of the Other Component(s) included in such Combination Product.

1.102 "**NDA**" has the meaning set forth in Section 1.8.

1.103 "**Noninvolved Party**" has the meaning set forth in Section 16.2.

1.104 "**Other Component**" has the meaning set forth in Section 1.19.

1.105 "**Outside Development Costs**" means all [***] and [***] and Development Costs incurred after the Effective Date by or on behalf of I-MAB, MacroGenics or a Related Party outside the Territory in connection with the conduct of the Development Plan for activities that support the Development of the Product for the Territory including companion [***].

1.106 "**Party Representatives**" has the meaning set forth in Section 4.4.

1.107 "**Patent Prosecution**" means the responsibility for (a) preparing, filing, prosecuting, and pursuing registration of, applications (of all types) for any Patent (b) for maintaining any Patent, and (c) for managing any interference or opposition proceeding relating to the foregoing.

1.108 "**Patent(s)**" means (a) all patents and patent applications in any country (including Country), region (including Region) or supranational jurisdiction and (b) any provisionals, substitutions, divisions, continuations, continuations in part, reissues, renewals, registrations, confirmations, reexaminations, extensions, supplementary protection certificates and the like, of any such patents or patent applications.

1.109 "**Permitted Subcontractors**" has the meaning set forth in Section 3.6.

1.110 "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a government or political subdivision, department or agency of a government.

1.111 "**Phase I Clinical Trial**" means a human clinical trial, or the relevant portion of such trial, of a product in patients in any country (including Country or Region) in accordance with GCP that generally provides for the first introduction into humans of a product and is intended to determine safety, metabolism and pharmacokinetic properties and clinical pharmacology of a product in health patients, or that would otherwise satisfy the requirements of Applicable Laws and Regulations for such country in which such human clinical trial is conducted, such as 21 C.F.R. § 312.21(a), relating to human clinical trials conducted in the United States, or any successor regulation thereto or foreign equivalents.

1.112 "**Phase II Clinical Trial**" means a human clinical trial, or the relevant portion of such trial, conducted in patients with a product, in accordance with GCP and intended to demonstrate efficacy and a level of safety in the particular Indication tested, as well as to obtain a preliminary Indication of the unit or daily dosage regimen required, or that would otherwise satisfy the requirements of Applicable Laws and Regulations of the country (including Country or Region) in which such human clinical trial is conducted, such as 21 C.F.R. § 312.21(b), relating to human clinical trials conducted in the United States, or any successor regulation thereto or foreign equivalents.

1.113 "**Phase III Clinical Trial**" means a human clinical trial, or the relevant portion of such trial, in any country that is conducted in accordance with GCP and the results of which are intended to be used as a pivotal study to establish both safety and efficacy of a product as a basis for a BLA submitted to the FDA, CFDA or the appropriate Regulatory Authority of such other country (including Country or Region), or that would otherwise satisfy the requirements of 21

C.F.R. § 312.21(c), or any successor regulation thereto or foreign equivalents.

1.114 "**Phase IV Clinical Trial**" means a human clinical trial conducted after the Regulatory Approval of a Product in a country (including Country or Region), which trial is conducted (a) voluntarily to enhance scientific knowledge of such Product (*e.g.*, for expansion of product labeling or dose optimization); or (b) conducted due to a request by or a requirement of a Regulatory Authority of a country (including Country or Region).

1.115 "**PHS Act**" has the meaning set forth in Section 1.13.

1.116 "**PRC**" means the People's Republic of China, which for purposes of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan.

1.117 "**Product**" means a product that incorporates a biopharmaceutical form of Enoblituzumab as an active ingredient, including as part of a Combination Regimen.

1.118 "**Product Brand**" has the meaning set forth in Section 4.2.

1.119 "**Region**" means individually and collectively Hong Kong Special Administrative Region, and Macau Special Administrative Region.

1.120 "**Registration Trial**" means the first Clinical Trial which is designed to secure Regulatory Approval for the Product in a Country or Region in the Territory.

1.121 "**Regulatory Approval**" means a BLA approval from the relevant Regulatory Authority in a region (including Region) or country (including Country) to market and sell a product in such region or country.

1.122 "**Regulatory Authority**" means any applicable government regulatory authority involved in granting approvals for the conduct of Clinical Trials or the manufacturing, marketing, reimbursement or pricing, as applicable, of a Product, including in the United States, the FDA and in the PRC, the CFDA, and any successor governmental authority having substantially the same function.

1.123 "**Regulatory Submissions**" means any filing, application, or submission with any Regulatory Authority, including authorizations, approvals or clearances arising from the foregoing, including CTAs, INDs, BLAs, NDAs, and Regulatory Approvals, and all correspondence or communication with or from the relevant Regulatory Authority, as well as minutes of any material meetings, telephone conferences or discussions with the relevant Regulatory Authority, in each case, with respect to a Product.

1.124 "**Related Party**" means, with respect to a Party, its Affiliates and Sublicensees.

1.125 "**Requesting Party**" has the meaning set forth in Section 8.2(a).

1.126 "**Required Clinical Trials**" has the meaning set forth in Section 3.1(a).

1.127 "**Required License**" has the meaning set forth in Section 7.4.

1.128 "**Royalty Term**" means, with respect to sales of a Product in the Territory, on a Country-by-Country and Region-by-Region basis, the time period beginning on the First Commercial Sale of such Product in the Territory and expiring on the latest of the following dates:

(a) the [***] anniversary of the date of First Commercial Sale of the Product in such Country or Region;

(b) the expiration in the Territory of the last-to-expire MacroGenics Licensed Patent having a Valid Claim covering the composition, Manufacture, use, method of treatment, sale or import of the Product in such Country or Region; or

(c) the expiration of the latest Data Exclusivity Period for the Product in such Country or Region.

1.129 "**Safety Management Plan**" or "**SMP**" has the meaning set forth in Section 6.5.

1.130 "**SAIC**" has the meaning set forth in Section 14.3.

1.131 "**SAIC Rules**" has the meaning set forth in Section 14.3.

1.132 "**Site Regulatory Package**" or "**SRP**" means a set of investigational site-specific regulatory documents requiring review and approval by the JSC. The SRP typically consists of the following documents: Form FDA 1572 (or an equivalent document used in a region (including Region) or country (including Country) in the Territory that identifies any relationships that pose a potential conflict of interest for an investigator or other person whose responsibilities are critical to conduct of a clinical trial), principal investigator curriculum vitae, signed protocol signature page, site-specific informed consent or informed assent forms (back-translated into English if the local language is other than English), investigator brochure, clinical trial agreement, clinical trial approval, IRB/IEC approval, study site qualification documents, privacy requirements (*e.g.*, HIPAA), IRB/IEC membership, and other country (including Country)-specific or region (including Region)-specific requirements.

1.133 "**Study Material(s)**" means the Product and MGA012 Manufactured in accordance with the specifications as adopted by MacroGenics and laws, rules and regulations of the United States and in the Territory (a) for preclinical activities, and (b) for administration to subjects in Clinical Trials.

1.134 "**Sublicensee**" means a Third Party that is granted a sublicense under the licenses granted to a Party under this Agreement, as permitted under this Agreement.

1.135 "**Term**" has the meaning set forth in Section 15.1.

1.136 "**Territory**" means the PRC, Hong Kong Special Administrative Region, Macau Special Administrative Region, and Taiwan.

1.137 "**Territory Development Costs**" has the meaning set forth in Section 3.5(a).

1.138 "**Territory Specific Development Plan**" means the written plan for Development of the Product in the Field in the Territory attached to this Agreement as Exhibit D that is primarily intended to support Regulatory Approval of the Product in the Territory (and, for clarity, not outside the Territory) and not otherwise included within the Global Development Plan.

1.139 "**Territory Specific Regulatory Submissions**" has the meaning set forth in Section 6.3.

1.140 "**Territory Subjects Enrolled**" means that portion of the Total Subjects Enrolled recruited directly by I-MAB (as a direct result of I-MAB's Development efforts) in the Territory for the applicable Clinical Trial.

1.141 "**Third Party**" means an entity other than (a) I-MAB and its Affiliates, and (b) MacroGenics and its Affiliates.

1.142 "**Total Subjects Enrolled**" means, with respect to a given Clinical Trial, the total number of study subjects enrolled in such Clinical Trial worldwide.

1.143 "**Trademark Prosecution**" means the responsibility for (a) preparing, filing, and seeking registration of, trademark applications (of all types) for any Trademark, (b) for maintaining any Trademark, and (c) for managing any interference or opposition proceeding relating to the foregoing.

1.144 "**Trademark(s)**" means all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications throughout the world.

1.145 "**Triggered Third Party Payment**" means [***] payable by MacroGenics in each case pursuant to: (x) the MacroGenics Third Party Agreements in effect as of the Effective Date and (y) any additional MacroGenics Third Party Agreements identified by MacroGenics after the Effective Date that includes intellectual property that would otherwise prevent MacroGenics from fulfilling its obligations under this Agreement or from supplying the Product in the Territory, in each case ((x) and (y)) as a result of the Collaboration or the Parties' activities under this Agreement with respect to the Development or Commercialization of the Product for the Territory, including the Development, Manufacture and supply (by or on behalf of MacroGenics or its designee), or Commercialization thereof.

1.146 "**United States**" or "**U.S.**" means the United States of America and its territories and possessions, including the Commonwealth of Puerto Rico and the U.S. Virgin Islands.

1.147 "**U.S. Dollars**" means United States Dollars, the lawful currency of the United States.

1.148 "**Valid Claim**" means a claim of: (a) an issued and unexpired Patent included within the MacroGenics Licensed Patents in a country (including Country or Region) which has not been revoked or held unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and has not been abandoned, disclaimed or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise; or (b) a pending patent application that has been filed in good faith and that has not been cancelled, withdrawn, abandoned, finally rejected or expired without the possibility of appeal or refiling, provided that Valid Claim will exclude any such pending claim in an application that has not been granted within [***] following the earliest priority filing date for such application. For purposes of the definition of Valid Claim, "determination" means a determination with respect to a Patent that would prevent a Party from enforcing or continuing to enforce such Patent. To the extent that any Patent is issued, restored or otherwise deemed valid and enforceable, then it once again shall be considered a Valid Claim as from the date of such issuance, restoration or determination.

2. GOVERNANCE

2.1 Joint Steering Committee

(a) **Membership**. The Parties hereby establish a joint steering committee (the "**Joint Steering Committee**" or "**JSC**"), to coordinate and oversee activities on which the Parties collaborate under this Agreement. The JSC shall consist of [***] representatives from each Party. [***] shall designate one (1) of its representatives as the initial chairperson of the JSC. Thereafter, the role of chairperson shall alternate between MacroGenics and I-MAB representatives on a yearly basis. Each Party may replace its appointed JSC representatives at any time upon reasonable written notice to the other Party. The initial representatives and chair of the JSC shall be established within [***] after the Effective Date. The chair shall have the responsibility to call meetings, circulate meeting agendas at least [***] prior to each regular JSC meeting, draft minutes for each JSC meeting and circulate such minutes for both Parties' written approval. The chair shall have no other authority or special voting power.

(b) **Responsibilities**. The responsibilities of the JSC shall be:

(i) to provide a vehicle by which the Parties may share information regarding the overall strategy for the Collaboration;

(ii) to review, discuss and approve each of the Global Development Plan (with respect to the regulatory activities, non-clinical and clinical Development activities under the Global Development Plan that are to be conducted in the Territory), the Territory Specific Development Plan, the Commercialization Plan and any updates or amendments thereto and to share the progress of activities under each applicable plan on a [***];

(iii) to facilitate the exchange of information between the Parties with respect to the activities hereunder and to establish procedures for the efficient sharing of information necessary for the Parties to fulfill their respective responsibilities with respect to the Collaboration;

(iv) to share and discuss the data generated by or on behalf of the Parties in the course of performance towards the goals set forth in the Global Development Plan, the Territory Specific Development Plan and the Commercialization Plan, respectively;

(v) to coordinate Development and Commercialization strategies, allocate resources and set timelines, in each case to facilitate the activities under the Global Development Plan, the Territory Specific Development Plan and the Commercialization Plan, respectively;

(vi) to review proposed Clinical Trial sites in the Territory;

(vii) to provide information on Outside Development Cost projections or Global Clinical Trial cost projections, when such projections have been reasonably requested by a Party and when such projections are reasonably available;

(viii) to review and approve [***];

(ix) to review and approve proposed protocols for any Clinical Trial related to the Territory Specific Development Plan prior to the submission to any Regulatory Authority;

(x) to establish an overall regulatory strategy for the Product in the Territory that is consistent with and complements the worldwide regulatory strategy being implemented by MacroGenics for the Product;

(xi) to establish such subcommittees (including the JDC and JCC), as are agreed upon in writing by the Parties, to oversee the activities of subcommittees (including the JDC and JCC) created under this Agreement, and to seek to resolve any issues that such subcommittees cannot resolve;

(xii) to approve any CRO or Depot Subcontractor proposed to be engaged by I-MAB to support or facilitate any Clinical Trial activities within the Territory;

(xiii) to establish an overall strategy for the filing, prosecution and maintenance of MacroGenics Licensed Patents, MacroGenics Licensed Trademarks and I-MAB Licensed Patents in the Territory and Patent and Trademark term extensions; and

(xiv) to perform such other functions as expressly set forth in this Agreement or as appropriate to further the purposes of this Agreement, as determined by the Parties.

(c) **Decision-Making**. The JSC shall make decisions [***], with each Party's representatives collectively having [***] and at least [***] representative from each Party present.

(d) **Deadlocks; Final Decision-Making Authority**. In the event the JSC cannot reach an agreement regarding any matter within the JSC's authority for a period of [***] (a "**Deadlock**"), then either Party may elect to submit such issue to the Parties' Executive Officers, and if a Party makes an election to refer a matter to the Executive Officers, the Executive Officers shall use good faith efforts to resolve promptly such matter, which good faith efforts shall include [***] Executive Officers within [***] after the submission of such matter to them. If the Executive Officers are unable to reach consensus on any such matter within [***] after its submission to them, the Deadlock shall be resolved in accordance with the provisions of this Section 2.1(d):

(i) Except for [***] set forth in [***] shall have the [***], including regarding:

(1) Manufacturing of Product and MGA012 (including with respect to aspects of Development, Regulatory Approval and Commercialization of the Product and MGA012 related to the Manufacture thereof);

(2) global Development of the Product or MGA012, including the conduct of all MacroGenics Global Clinical Trials;

(3) global Commercialization of the Product or MGA012; and

(4) protocols for any MacroGenics Global Clinical Trial of a Product to be conducted by I-MAB and protocols for any Clinical Trial conducted by I-MAB that includes MGA012.

(ii) [***] shall have the [***] on all [***] pertaining solely and specifically to (A) the [***] specifically and exclusively for the Territory, provided that this [***] to (1) [***] or (2) [***] or (B) execution of [***] (consistent with the [***] for such Product in accordance with Section 4.1) of the Product in the Field for the Territory conducted by I-MAB and its Related Parties hereunder, including [***] (other than the matters described in sub-clause (i) above), except where MacroGenics considers in [***] that the conduct of the [***] the clinical or regulatory program or Commercialization of the Product or MGA012 outside the Territory.

All disputes that are not subject to the decision-making authority of the Parties under Section 2.1(d)(i) and 2.1(d)(ii), shall be subject to binding arbitration in accordance with Section 14. No exercise of a Party's decision-making authority on any such matters may, without the other Party's prior written consent, unilaterally (a) make a determination as to whether a particular milestone or other criteria has been achieved or that any if its obligations under this Agreement has been fulfilled, (b) override, amend or add to such Party's consent or approval rights or otherwise expand or reduce such Party's obligations set forth under this Agreement, (c) impose any requirements that the other Party take or decline to take any action that would result in a violation of Applicable Laws and Regulations or any agreement with any Third Party (including any MacroGenics Third Party Agreements) or the infringement of intellectual property rights of any Third Party, (d) make a decision that is expressly stated in this Agreement to require the consent or approval of the other Party, or (e) otherwise conflict with this Agreement.

(e) **JSC Meetings**. JSC meetings shall be held [***], or on any other schedule mutually agreed by the Parties. With the consent of the representatives of each Party serving on the JSC, other representatives of each Party may attend meetings as non-voting observers (provided such non-voting observers have confidentiality obligations to such Party that are at least as stringent as those set forth in this Agreement). A JSC meeting may be held either in person or by audio, video or internet teleconference with the consent of each Party. Meetings of the JSC shall be effective only if at least [***] representative of each Party is present or participating. Each Party shall be responsible for all of its own expenses of participating in the JSC meetings. The Parties shall alternate hosting the in-person meeting, and the Party hosting is responsible for preparing and circulating the minutes of the JSC meetings.

(f) **Duration of JSC**. The JSC shall continue to exist until the first to occur of

(a) the Parties mutually agreeing in writing to disband the JSC or (b) termination of this Agreement in accordance with the terms hereof.

(g) **Limitations**. The JSC shall have no authority other than that expressly set forth in this Section 2.1 and, specifically, shall have no authority (a) to amend or interpret this Agreement, or (b) to determine whether or not a breach of this Agreement has occurred.

(h) **Subcommittees**. Each Subcommittee (including the JDC and JCC) shall be composed of [***]. Each Party may replace its subcommittee representatives upon written notice to the other Party. All decisions of a Subcommittee shall be made by unanimous vote, with each Party's representatives having one vote. In the event the Parties are unable to reach a unanimous vote with respect to a matter, such matter shall be referred to the JSC for resolution.

(i) Joint Development Committee.

(1) **General**. Within [***] of the Effective Date, the Parties shall establish a joint development committee (the "**Joint Development Committee**" or the "**JDC**") (1) to oversee the day-to-day Development of the Product and Combination Regimen and the execution of the Global Development Plan and the Territory Specific Development Plan, (2) to oversee the progress of Regulatory Approvals and Regulatory Submissions for the Product and Combination Regimen, (3) to share information regarding Clinical Trials in the Territory (including Clinical Data), and (4) such other Development related activities delegated to it by the JSC. Each Party shall appoint [***] to the JDC, each of whom shall be an officer or employee of the applicable Party having sufficient knowledge regarding Development of the Product.

(2) **Meetings**. For so long as a Party is planning or conducting a Clinical Trial for a Product in the Territory, the JDC shall meet at least [***]. The Parties shall endeavor to schedule meetings of the JDC at least [***] in advance.

(ii) Joint Commercialization Committee.

(1) **General**. Within [***] after initiating the Registration Trial, the Parties shall establish a joint commercialization committee (the "**Joint Commercialization Committee**" or the "**JCC**") to oversee and coordinate (1) the day- to-day Commercialization of the Product in the Territory and the execution of the Commercialization Plan, including review of branding, marketing strategy, Product positioning, pricing and reimbursement strategy (to the extent legally permissible), (2) the progress of Commercialization activities for the Product, and (3) such other Commercialization related activities delegated to it by the JSC. Each Party shall appoint [***] to the JCC, each of whom shall be an officer or employee of the applicable Party having sufficient knowledge regarding Commercialization of the Product.

(2) **Meetings**. While the Parties are Commercializing the Product in the Territory, the JCC shall meet at least [***]. The Parties shall endeavor to schedule meetings of the JCC at least [***].

3. DEVELOPMENT

3.1 **I-MAB Responsibilities**. I-MAB shall use Commercially Reasonable Efforts to Develop the Product in the Territory in accordance with this Agreement. Without limiting the foregoing, I-MAB shall Develop the Product in the Territory in accordance with the Global Development Plan and Territory Specific Development Plan, as set forth below, with the goal of achieving Regulatory Approval for the marketing of the Product in the Territory. I-MAB shall use [***] those set forth in the Global Development Plan, or that are otherwise acceptable to MacroGenics. I-MAB shall conduct all activities assigned to I-MAB by the JSC in the Global Development Plan, and will lead the activities in the Territory Specific Development Plan. I-MAB [***] (in accordance herewith) unless (i) such other [***], (ii) the Regulatory Authorities [***] as anticipated in the Territory Specific Development Plan without (A) resulting in a [***] that is reasonably anticipated to be [***], relative to the [***] or (B) requiring a [***] that is reasonably likely to require a [***] above the [***], and (iii) such other [***] is either [***] that is mutually acceptable to both Parties.

(a) I-MAB 's responsibilities shall include (i) conducting all Clinical Studies (other than MacroGenics Global Clinical Trials) required for Regulatory Approval of the Product in the Territory under the Territory Specific Development Plan and the Global Development Plan (subject to MacroGenics' right under Section 3.6 to select Permitted Subcontractors to conduct activities under the Global Development Plan); (ii) participating in either the Phase 3 portion of the proposed Clinical Trial [***] or another mutually acceptable MacroGenics Global Clinical Trial of a Combination Regimen; (iii) completing [***] Phase II Clinical Trials or Phase III Clinical Trials of the Product in the Territory focused on other [***] (*e.g.*, [***] and [***]) (such trials, the "**Required Clinical Trials**"); (iv) the submission of all CTAs in the Territory; (v) interaction with the Regulatory Authorities in the Territory; (vi) translation of necessary documents required for Regulatory Approval in the Territory; (vii) recruiting, qualifying and establishing Clinical Trial sites for the Territory, including the preparation, collection, review, approval and translation of all Site Regulatory Packages required to authorize shipment of Study

Materials to all participating clinical trial sites in the Territory, monitoring of all Clinical Trial sites in the Territory; and (viii) providing reasonable assistance to MacroGenics (at MacroGenics' cost) with submissions to and interactions with the FDA and other Regulatory Authorities outside of the Territory; provided, however, that with respect to the provision of data, information and materials, such obligation to assist shall not require I-MAB to generate any data not within its possession or control;

(b) I-MAB shall use Commercially Reasonable Efforts to initiate (where [***] of [***]) (i) the [***] (*e.g.*, for the treatment of [***] using the Product [***]) within [***] after the Effective Date and (ii) the [***] (*e.g.*, for the [***]) within [***] after the Effective Date, provided, however that, with the prior consent of MacroGenics (such consent shall not be unreasonably withheld, conditioned or delayed), such timeframes shall be extended for so long as reasonably necessary for I-MAB to (i) address information or other requests from Regulatory Authorities in the Territory or (ii) ensure the availability of enough Product to conduct such Clinical Trial.

(c) I-MAB shall support other additional Development activities responsive to unique regulatory or commercial requirements in the Territory.

3.2 **Development Plans.** The Development of the Product in the Territory under this Agreement shall be governed by the Global Development Plan and Territory Specific Development Plan, which may be revised from time to time in accordance with this Section 3.2. During the Term, the Global Development Plan and Territory Specific Development Plan shall contain in reasonable detail the major Development and regulatory activities conducted by or on behalf of I-MAB (or its Affiliates or Sublicensees), including those necessary to (i) gain Regulatory Approval [***] and (ii) the timelines for achieving such activities until such Regulatory Approval in each Country or Region in the Territory has been obtained. In accordance with Section 2.1(b)(ii), the JDC shall review and submit to the JSC for approval, and the JSC shall review and approve the Global Development Plan and the Territory Specific Development Plan and any updates or amendments to the Global Development Plan and Territory Specific Development Plan. The initial Global Development Plan is attached hereto as Exhibit C and initial Territory Specific Development Plan is attached hereto as Exhibit D.

(a) **Review of Development**. The JDC shall review the progress of the conduct of the Global Development Plan and Territory Specific Development Plan at each meeting of the JDC.

(b) **Review of the Global Development Plan and the Territory Specific Development Plan**. On [***], the JDC shall review the Global Development Plan with respect to its conduct in the Territory and the Territory Specific Development Plan, each with respect to its respective progress, as appropriate, and shall recommend any amendment, and any changes (which for the Global Development Plan shall be limited to its conduct in the Territory) to such plans, which shall be submitted to and subject to the approval by the JSC. Once approved by the JSC, the Parties agree that any such updated Global Development Plan or Territory Specific Development Plan shall supersede and replace, as applicable, the then-current Global Development Plan and Territory Specific Development Plan with respect to the Territory.

3.3 **MacroGenics Responsibilities**. As between the Parties, MacroGenics shall be responsible for (itself or through its Affiliates or licensees) Developing the Product outside of the Territory. Without limiting the foregoing, MacroGenics' responsibilities shall include, either by itself or through its Affiliates or licensees, using Commercially Reasonable Efforts to conduct those Development activities assigned to MacroGenics under the MacroGenics Global Development Plan or the Territory Specific Development Plan.

(a) MacroGenics agrees to use Commercially Reasonable Efforts to (i) cooperate in all material respects and be actively involved with I-MAB in such efforts and to provide reasonable assistance to I-MAB with submissions (including an [***]) to and interactions with the CFDA and other Regulatory Authorities and (ii) conduct ancillary Development or Manufacturing activities and provide reasonable access to related information necessary to obtain Regulatory Approval for the Product in the Territory including those listed in Exhibit E, at I-MAB's reasonable request and at I-MAB's cost and expense (including FTE Costs and out of pocket costs). Notwithstanding the reimbursement provisions under Section 3.3(b) and Section 3.5, I-MAB shall reimburse MacroGenics for [***] ([***]%) of MacroGenics' FTE Costs and out-of-pocket expenses for conducting such activities [***] MacroGenics for such costs and expenses.

(b) MacroGenics agrees to use Commercially Reasonable Efforts to [***] on a design and timeline mutually agreed upon by the Parties. I-MAB shall reimburse MacroGenics for [***] ([***]%) of MacroGenics' out-of-pocket expenses for conducting such study [***] MacroGenics for such out-of-pocket expenses and shall be entitled to a one-time credit of [***] ([***]%) of the total amount of such reimbursement against the next Milestone Payment due to MacroGenics pursuant to Section 7.2(a).

(c) MacroGenics shall use Commercially Reasonable Efforts to complete the [***] and to generate sufficient material to support the Territory Specific Development Plan on a timeline mutually agreed upon by the Parties.

3.4 **Conduct of Development**. I-MAB shall conduct the Development activities under the Territory Specific Development Plan and those Development activities allocated to I-MAB under the Global Development Plan and achieve the corresponding Development goals as described in the Global Development Plan and Territory Specific Development Plan, in compliance with: (a) the terms and conditions of this Agreement; (b) the Global Development Plan and Territory Specific Development Plan, as updated from time to time; (c) all applicable GLP, GCP and applicable cGMP requirements, including those specified by the ICH; and (d) all Applicable Laws and Regulations. MacroGenics shall conduct its activities under this Agreement in compliance with: (w) the terms and conditions of this Agreement; (x) the Global Development Plan, as updated from time to time; (y) all applicable GLP, GCP and applicable cGMP requirements, including those specified by the ICH; and (z) all Applicable Laws and Regulations.

3.5 Development Costs.

(a) **Territory Specific**. I-MAB shall be responsible for all Development Costs incurred by I-MAB and all Development Costs incurred in the Territory by MacroGenics or a Related Party in connection with the conduct of the Global Development Plan, subject to Section 2.1(b)(vii), or Territory Specific Development Plan, including the applicable cost of the supply of Study Materials (the "**Territory Development Costs**"). Costs for the supply of Study Materials by or on behalf of MacroGenics to I-MAB are addressed in Section 5.1(b).

(b) **Outside Territory**. I-MAB shall be responsible for the I-MAB Outside Cost Share, and, as between the Parties, MacroGenics shall be responsible for all Outside Development Costs other than the I-MAB Outside Cost Share (the "**MacroGenics Outside Cost Share**").

(c) **Reconciliation/Reimbursement**. Within [***] after [***] during which MacroGenics incurs any Outside Development Costs or Territory Development Costs, MacroGenics shall submit to a finance officer designated by MacroGenics and a finance officer designated by I-MAB (the "**Finance Officers**") a report setting forth a good faith estimate of the Outside Development Costs and Territory Development Costs it incurred in [***]. Within [***] following the [***], MacroGenics shall update such report to reflect the final amount of Outside Development Costs and Territory Development Costs incurred by it in [***]. Such report shall specify in reasonable detail all such costs and shall include reasonably detailed supporting documentation, and, any additional documentation reasonably requested by I-MAB shall be promptly provided. [***] after receipt of such updated report, the Finance Officers shall confer and agree in writing on the amount of the reimbursement payment owed to MacroGenics by I-MAB, such that all Territory Development Costs and the I-MAB Outside Cost Share for [***] are borne [***] ([***]%) by I-MAB and the MacroGenics Outside Cost Share for [***] is borne [***] ([***]%) by MacroGenics. With respect to each such reimbursement payment owed to MacroGenics, I- MAB shall (or any of its Affiliates shall) submit such payment to MacroGenics (or any of its designated Affiliates) [***] after the end of [***] conferral period. In the event of any disagreement with respect to the calculation of any such payment under this Section 3.5(c), any undisputed portion of such payment shall be paid in accordance with the foregoing timetable specified in this Section 3.5(c), and the remaining, disputed portion shall be paid [***] on which the Parties, using good faith efforts, resolve the dispute. In addition, following the Effective Date, each Party shall consider in good faith other reasonable procedures proposed by the other Party for sharing financial information in order to permit each Party to close its books in a periodic timely manner. For the avoidance of doubt, no cost or expense shall be counted more than once in calculating Territory Development Costs and Outside Development Costs, even if such costs or expense falls into more than one of the cost categories that comprise Territory Development Costs and Outside Development Costs.

3.6 **Subcontractors.** Each Party shall have the right to engage Third Party contractors to perform any portion of its obligations under this Agreement (each such subcontractor, a "**Permitted Subcontractor**"), provided, however, that (i) for any [***] shall solely have the right to select [***]; and (ii) each [***] to support or facilitate any Clinical Trial activities within the Territory must first be approved in writing by the JSC in order to be deemed a Permitted Subcontractor. MacroGenics' JSC representatives shall not unreasonably withhold, condition or delay their approval in connection with the JSC's consideration of any such CRO and Depot Subcontractor. Any such Permitted Subcontractor engaged by I-MAB hereunder shall be required to agree in writing to be bound by terms regarding maintaining the confidentiality of proprietary information that are no less stringent than those contained in this Agreement and regarding ownership of intellectual property that are consistent with those contained in this Agreement. Either Party's use of Permitted Subcontractors shall not relieve it of any of its obligations pursuant to this Agreement.

3.7 **Ownership of Clinical Data**. To the extent permitted by Applicable Laws and Regulations, all Clinical Data generated or arising from any Territory-specific Clinical Trial conducted exclusively by or on behalf of I-MAB in the Territory ("**Co-Owned Clinical Data**") shall be jointly owned by the Parties. Subject to any restrictions imposed by Applicable Laws and Regulations, each Party hereby assigns, transfers and conveys (and to the extent a present assignment is prohibited by Applicable Laws and Regulations, shall assign) to the other Party one- half (1/2) of its (and its Affiliates' and Sublicensees') right, title and interest in and to such Co- Owned Clinical Data so that I-MAB and MacroGenics will be equal joint owners of such Clinical Data. I-MAB shall provide a copy of all such Clinical Data to MacroGenics promptly following generation thereof, but in any event, on a schedule reasonably requested by MacroGenics. All Clinical Data generated or arising from any MacroGenics Global Clinical Trial shall be owned solely and exclusively by MacroGenics. In addition, if the Parties are not legally permitted, according to Applicable Laws and Regulations, to jointly own any Clinical Data that would otherwise constitute Co-Owned Clinical Data under this Section 3.7, then MacroGenics shall be sole and exclusive owner of such Clinical Data. I-MAB hereby assigns, transfers and conveys (and to the extent a present assignment is prohibited by Applicable Laws and Regulations, shall assign) to MacroGenics all of I-MAB's (and its Affiliates' and Sublicensees') right, title and interest in and to all Clinical Data for which MacroGenics shall be the sole owner pursuant to this Section 3.7.

3.8 **Information and Cooperation**. In addition to the obligations under Section 3.7, each Party shall use Commercially Reasonable Efforts to reasonably cooperate with the other Party in relation to the work under this Agreement and keep the other Party informed of its Development and Commercialization (including promotional) activities reasonably related to the work under this Agreement, and shall provide to the other Party, as appropriate, regular summary updates. If reasonably necessary for a Party to perform its work under this Agreement or to exercise its rights under this Agreement, or in the case of MacroGenics, to further the Development, including clinical or regulatory programs, or Commercialization of the Product outside the Territory (or inside the Territory in connection with a MacroGenics Global Clinical Trial) or MGA012 inside or outside the Territory, that Party may request that the other Party provide more detailed information and data regarding the updates it earlier provided, and the other Party shall promptly provide the requesting Party with information and data as is reasonably available and reasonably related to the work under this Agreement. Neither Party is required to generate additional data or prepare additional reports (except to the extent required to comply with safety reporting requirements under Applicable Laws and Regulations) to comply with the foregoing obligation. All such reports, information and data provided shall be subject to Section 10.1.

3.9 **MacroGenics' Development in Territory and MacroGenics Global Clinical Trials**. Notwithstanding the foregoing, MacroGenics shall have the right to conduct non-clinical Development and clinical Development (solely in connection with MacroGenics Global Clinical Trials in the Field in the Territory) and with respect to such clinical Development, with I-MAB's prior written consent (which shall not be unreasonably withheld, conditioned or delayed). MacroGenics shall solely control and be responsible for conducting such Development and, [***], all associated Development Costs incurred by MacroGenics in the conduct of such Development shall [***].

4. COMMERCIALIZATION

4.1 **Overview.** I-MAB shall have full responsibility and authority (subject to Sections 2.1(c) and (d)) for all aspects of the Commercialization of the Product in the Territory at its sole expense, including developing and executing a plan for commercial launch, obtaining all required approvals from Regulatory Authorities for Commercialization (including reimbursement activities), marketing and promotion, booking sales and distribution and performance of related services, providing customer support, including handling medical queries, and performing other related functions. I-MAB shall use Commercially Reasonable Efforts to Commercialize the Product. I-MAB shall update MacroGenics regarding its Commercialization activities at regular meetings of the JSC as contemplated by Section 2.1(e). As between I-MAB and MacroGenics, I- MAB shall book all sales of the Product in the Territory, and shall have the sole right to determine all pricing of the Product in the Territory. I-MAB shall bear all of the costs and expenses incurred in connection with all such Commercialization activities in the Territory. I-MAB shall provide written notification to MacroGenics as to the occurrence of the First Commercial Sale in the Territory [***] after such occurrence. MacroGenics shall have full responsibility and authority for all aspects of the Commercialization of the Product outside the Territory at its sole expense, including obtaining all required approvals from Regulatory Authorities for Commercialization (including reimbursement activities), marketing and promotion, booking sales and distribution and performance of related services, providing customer support, including handling medical queries, and performing other related functions.

4.2 **Product Labeling; Promotional Materials.** I-MAB shall reasonably cooperate with MacroGenics and its designees to establish a global branding strategy for the Product worldwide. I-MAB shall Commercialize the Product in the Territory under the worldwide brand and consistent with the global branding strategy, in each case, specified by MacroGenics (the "**Product Brand**" and "**Global Branding Strategy**", respectively), except to the extent such branding is not permitted by any applicable Regulatory Authority in the Territory, in which case MacroGenics shall specify an alternate Product Brand or adjustment to the Global Branding Strategy, as MacroGenics deems appropriate. Except for the depiction of trademarks, logos and other symbols that are intended to identify MacroGenics' as a company or the manufacturer or owner of the Product or MGA012 and Incyte Corporation as the developer and/or seller of MGA012, I-MAB shall be responsible for designing and supplying the printable artworks of Product labeling in electronic version and promotional materials for the Product for the Territory. I-MAB shall be responsible for how and the manner in which the Product shall be presented and described in the Territory to the medical community in any promotional materials for the Product intended to be disseminated in the Territory, and the placement of the name and logos of I-MAB therein, in each case as permitted by Applicable Law and consistent with the Product Brand and labeling for the Product approved by the applicable Regulatory Authority, and consistent with the Global Branding Strategy.

4.3 Sales and Distribution

(a) **Orders and Sales**. I-MAB shall be solely responsible for handling all returns, order processing, invoicing and collection, distribution, and inventory and receivables for the Product throughout the Territory. I-MAB shall have the right and sole responsibility for establishing and modifying the terms and conditions with respect to the sale of the Product in the Territory, including any terms and conditions relating to or affecting the price at which the Product shall be sold, discounts available to any Third Party payers (including managed care providers, indemnity plans, unions, self-insured entities, and government payer, insurance or contracting programs), any discount attributable to payments on receivables, distribution of the Product, and credits, price adjustments, or other discounts and allowances to be granted or refused; provided, however, that I-MAB shall act in good faith when doing the foregoing.

(b) **Pricing**. I-MAB shall determine all pricing of the Product in the Territory, with the understanding that I-MAB shall also be solely responsible for preparing and implementing the reimbursement strategy for the Product in the Territory. MacroGenics shall, subject to any restrictions imposed under Applicable Laws and Regulations, use reasonable efforts to provide all the data deemed necessary by MacroGenics and within its possession or control so as to support any application by I-MAB for desired medical reimbursement rates in the Territory.

4.4 **Compliance**. Each Party shall comply with the terms of this Agreement and all Applicable Laws and Regulations relating to activities performed or to be performed by such Party(or its Affiliates, contractor(s) or Sublicensee(s)) under or in relation to the Commercialization of the Product pursuant to this Agreement. Notwithstanding the foregoing, each Party agrees, on behalf of itself, its officers, directors and employees and on behalf of its Affiliates, agents, representatives, consultants, and Permitted Subcontractors (together with each Party, the "**Party Representatives**") that for the performance of its obligations hereunder:

(a) The Party Representatives shall not directly or indirectly pay, offer or promise to pay, or authorize the payment of any money, or give, offer or promise to give, or authorize the giving of anything else of value, to: (i) any Government Official in order to influence official action; (ii) any Person (whether or not a Government Official) (a) to influence such Person to act in breach of a duty of good faith, impartiality or trust ("**Acting Improperly**"), (b) to reward such Person for Acting Improperly, or (c) where such Person would be Acting Improperly by receiving the money or other thing of value; (iii) any other Person while knowing or having reason to know that all or any portion of the money or other thing of value shall be paid, offered, promised or given to, or shall otherwise benefit, a Government Official in order to influence official action for or against either Party in connection with the matters that are the subject of this Agreement; or (iv) any Person to reward that Person for Acting Improperly or to induce that Person to Act Improperly.

(b) The Party Representatives shall not, directly or indirectly, solicit, receive or agree to accept any payment of money or anything else of value in violation of the Anti-Corruption Laws.

(c) The Party Representatives shall comply with the Anti-Corruption Laws and shall not take any action that shall, or would reasonably be expected to, cause either Party (or its Affiliates) to be in violation of any such laws. In furtherance of the foregoing, each Party acknowledges and confirms the following:

(i) Each Party has reviewed its internal programs in relation to the Anti- Corruption Laws and the ability of its Party Representatives to adhere to such laws in performance of its obligations hereunder in advance of the signing of this Agreement and warrants that it and its Party Representatives can and shall continue to comply with such Anti-Corruption Laws in performance of its obligations hereunder and further represents and warrants that should the other Party identify in writing to such Party any measures that should be reasonably taken to improve such Party's and its Party Representatives' compliance with such Anti-Corruption Laws for the performance of its obligations hereunder (the "**Improvement Plan**"), such Party shall use Commercially Reasonable Efforts to implement such Improvement Plan within an agreed reasonable timeframe (which shall in any event [***]) from the date the Improvement Plan is delivered to the receiving Party. In the absence of the full implementation by a Party of such Improvement Plan within [***], the other Party shall be entitled to terminate this Agreement, upon written notice to the non-implementing Party with immediate effect, to be relieved of any obligations, and to seek compensation from the non-implementing Party;

(ii) To the best of each Party's and its Affiliates' knowledge after reasonable diligence, none of its Party Representatives that shall participate or support such Party's performance of its obligations hereunder has, directly or indirectly, (x) paid, offered or promised to pay, or authorized the payment of any money; (y) given, offered or promised to give, or authorized the giving of anything else of value; or (z) solicited, received or agreed to accept any payment of money or anything else of value, in each case ((x), (y) and (z)), in violation of the Anti- Corruption Laws during [***].

(iii) To the best of each Party's and its Affiliates' knowledge, none of its intellectual property rights, technology, contracts, materials, or licenses or other assets that are the subject of this Agreement were procured in violation of any Anti-Corruption Laws.

(d) Each Party, on behalf of itself and its Party Representatives, represents and warrants to the other Party that all information provided by such Party and its Party Representatives to the other Party in any anti-bribery and corruption due diligence checklist, similar due diligence process performed by the other Party or its Affiliates or inquiry by the other Party related to such Party's or its Party Representatives' compliance with Anti-Corruption Laws is true, complete and correct in all material respects at the date it was provided and that any material changes in circumstances relevant to the answers provided in such exercise shall be promptly disclosed to the other Party.

(e) Each Party shall, to the extent permitted by the relevant government authority, promptly provide the other Party with written notice of the following events: (i) upon becoming aware of any actual, alleged or potential breach or violation by a Party or any of its Party Representative of any representation, warranty or undertaking set forth in this Section 4.4; or (ii) upon receiving a formal notification that it is the target of a formal investigation by a government authority for any violation of any Anti-Corruption Law or upon receipt of information from any of the Party Representatives that any of them is the target of a formal investigation by a government authority for a violation of any Anti-Corruption Law, in each case ((i) and (ii)), where such formal investigation is related to this Agreement.

(f) For the Term and [***] following the expiration or earlier termination of the Agreement, each Party shall for the purpose of auditing and monitoring the performance of its compliance with this Agreement and particularly this Section 4.4 permit the other Party, its Affiliates, any auditors of any of them and any government authority to have reasonable access to any premises of the Party or other Party Representatives used in connection with this Agreement, together with a right to reasonably access personnel and records that relate to this Agreement ("**Audit**"). Each Party shall ensure that its Party Representatives shall provide all cooperation as reasonably requested by the other Party for the purposes of the Audit, with the understanding that the other Party shall be responsible for all costs and fees of any Audit and the other Party shall ensure that any auditor enters into a confidentiality agreement consistent with the confidentiality provisions in this Agreement in all material respects. Notwithstanding the foregoing, each Party's obligations under this Section 4.4(f) with respect to its agents, representatives, consultants, and Permitted Subcontractors existing as of the Effective Date shall be subject to the contractual rights and obligations that such Party has in place with such Party Representatives, and with respect to agents, representatives, consultants, and Permitted Subcontractors engaged after the Effective Date, shall be subject to contractual rights and obligations that such Party negotiates with such future Party Representatives, provided that the applicable Party shall use Commercially Reasonable Efforts to negotiate contractual rights and obligations with such future Party Representative to allow compliance with this Section 4.4(f).

(g) On the occurrence of any of the following events:

(i) Either Party becomes aware, whether or not through an Audit, that the other Party (or any other Party Representative) is in breach or violation of any representation, warranty or undertaking in Section 4.4 or of the Anti-Corruption Laws; or

(ii) Notification is received by a Party that a suspected or actual violation of an Anti-Corruption Law has occurred by the other Party or any Party Representative of the other Party;

the notified Party shall have the right, in addition to any other rights or remedies under this Agreement or to which the notified Party may be entitled in law or equity, to take such steps as are reasonably necessary in order to avoid a potential violation or continuing violation by the notified Party or any of its Affiliates of the Anti-Corruption Laws, including by requiring that the other Party agrees to and uses Commercially Reasonable Efforts to implement any curative actions requested by the notified Party. In the event that the other Party refuses to agree to all of the curative actions requested by the notified Party (and provided that the notified Party has (x) provided the other Party with an explanation in reasonable detail as to why the notified Party considers such actions necessary, (y) given the other Party a reasonable opportunity to review and comment upon the proposed actions and to provide its view as to the necessity or usefulness of these to address the event concerned, and (z) considered such comments in good faith), the notified Party shall be entitled to terminate this Agreement with immediate effect. Any termination of this Agreement pursuant to this Section 4.4 shall be treated as a termination for breach by the other Party of this Agreement and the consequences of termination shall apply and additionally, subject to the accrued rights of the Parties prior to termination, the notified Party shall have no liability to the other Party for any fees, reimbursements or other compensation or for any loss, cost, claim or damage resulting, directly or indirectly, from such termination.

(h) Each Party shall be responsible for any breach of any representation, warranty or undertaking in this Section 4.4 or of the Anti-Corruption Laws by any of its Party Representatives.

(i) Each Party may disclose the terms of this Agreement or any action taken under this Section 4.4 to prevent a potential violation or continuing violation of applicable Anti- Corruption Laws, including the identity of the other Party and the payment terms, to any government authority if the Party determines, upon advice of counsel, that such disclosure is appropriate.

4.5 Commercialization Diligence

(a) **Prior to Submission of First BLA**. [***] before the expected Completion of the Registration Trial, I-MAB shall submit the first Commercialization Plan to the JCC for review and submission to the JSC for review and approval. From time to time during the Term, I-MAB may submit amendments to the Commercialization Plan to the JCC for review and submission to the JSC for review and approval. I-MAB shall regularly report on its Commercialization activities at each meeting of the JSC. Such reports shall cover subject matter at a level of detail similar to that which I-MAB affords to its senior executives with respect to similar I-MAB products. All such plans and information shall be presented for discussion purposes, and I-MAB agrees to consider in good faith any comments or suggestions MacroGenics may make with respect to Commercialization of the Product.

(b) **Following Regulatory Approval**. I-MAB shall use Commercially Reasonable Efforts to Commercialize the Product throughout the Territory after Regulatory Approval for the Product is obtained.

5. MANUFACTURE AND SUPPLY

5.1 Supply of the Product

(a) MacroGenics shall (i) be responsible for the Manufacture, either by itself or through one or more Third Parties selected by MacroGenics at its sole discretion, of (A) the Product and MGA012 required for the Clinical Trials described in the Global Development Plan and the Territory Specific Development Plan and (B) all commercial supplies of the Product required by I-MAB for the Commercialization of the Product in the Territory, [***], such Manufacture of the Product will be pursuant [***], in each case ((A) and (B)) using Commercially Reasonably Efforts and in accordance with this Section 5.1, except as the Parties may otherwise agree in writing and (ii) either (A) [***], in accordance with the terms and conditions of the [***] sufficient quantity based on demand, or (B) solely in the event that MacroGenics has control over the Manufacture and supply of MGA012 for the Territory, make supply of MGA012 available in a reasonably sufficient quantity based on demand, in each case ((A) and (B)) in the Territory for the Commercialization of the Combination Regimen in the Territory after the Regulatory Approval of such Combination Regimen in the Territory. Any Product or MGA012 supplied to I-MAB by MacroGenics shall be delivered to I-MAB in unlabeled vials for subsequent packaging and labeling by I-MAB, unless the Parties otherwise agree to a different delivery format. MacroGenics shall use Commercially Reasonable Efforts to fulfill under the Incyte Agreement the forecasts for MGA012 provided by I- MAB for use in clinical development and/or pursuant to the Commercial Supply Agreement ("**MGA012 Commercial Forecasts**"). In the event of a shortfall of MGA012, MacroGenics shall use the same efforts to fulfill a MGA012 Commercial Forecast under the Incyte Agreement as if MacroGenics was procuring MGA012 under the Incyte Agreement for use by itself or its other licensees or partners.

(b) **Supply Agreements**. [***] after the Effective Date, the Parties shall negotiate and enter into a supply agreement governing (i) the clinical supply of the Product to I-MAB for its requirements of the Product for Development in the Territory and (ii) the clinical supply of MGA012 to I-MAB for its requirements to Develop MGA012 solely as a component of the Combination Regimen in the Territory (which supply agreement will be subject to the Incyte Agreement). [***] projected commercial launch date of a Product in any Country or Region in the Territory, the Parties shall negotiate and enter into a supply agreement (the "**Commercial Supply Agreement**") governing (i) the commercial supply of the Product to I-MAB for its requirements of the Product for Commercialization in the Territory and (ii) the commercial supply of MGA012 to I-MAB for its requirements of MGA012 for Commercialization of a Combination Regimen in the Territory (which supply shall be subject to the Incyte Agreement), which Commercial Supply Agreement shall include pricing, payment, and delivery terms consistent with the provisions set forth in Sections 5.1(b) and 5.1(d). The Commercial Supply Agreement shall provide other customary terms and conditions, such as acceptance and rejection procedures, forecast and order procedures, release documentations and audit rights by I-MAB. In addition, the Commercial Supply Agreement shall include further provisions for the commercial supply of the Product in the Territory, including procedures for the MGA012 Commercial Forecasts.

(c) Price; Payment.

(i) The price of clinical quantities of the Product ordered by I-MAB under Section 5.1(a) and commercial quantities of the Product ordered by I-MAB under Section 5.1(a) shall [***] for the Product. MacroGenics' supply of clinical quantities of MGA012 pursuant to Section 5.1(a) shall be [***].

(ii) All payments due hereunder to MacroGenics shall be paid to MacroGenics in U.S. Dollars [***] following the receipt of the applicable invoice.

(d) **Delivery**. Unless otherwise agreed by the parties in writing, all shipments shall be [***].

5.2 **Manufacturing Specifications**. All Study Materials and commercial supplies of Product shall be manufactured in accordance with the specifications determined by MacroGenics and all Applicable Laws and Regulations as set forth in the clinical supply agreement and Commercial Supply Agreement to be negotiated by MacroGenics and I-MAB under Section 5.1(b).

5.3 **Change of Manufacturing Process**. MacroGenics shall reasonably inform I-MAB of developments in matters of process development and Manufacturing of the Product and MGA012, and shall consult with I-MAB with respect to the development and manufacturing processes of the Product and MGA012 adopted by MacroGenics to the extent necessary to obtain Regulatory Approval(s) of the same in the Territory. I-MAB shall promptly notify MacroGenics of any information that may impact approvability of the Product in the Territory. In addition, MacroGenics shall implement changes required by any Regulatory Authority in the Territory to the extent commercially practicable, provided that I-MAB shall bear any and all incremental costs resulting from any changes to the manufacturing specifications required by the applicable Regulatory Authority in the Territory but not by any of the Regulatory Authorities outside the Territory.

5.4 **Third Party Obligations; MacroGenics Third Party Agreements.** All licenses and other rights granted to I-MAB under this Agreement are subject to the rights and obligations of MacroGenics under the MacroGenics Third Party Agreements. I-MAB will comply with all applicable provisions of the MacroGenics Third Party Agreements and I-MAB agrees to (and shall cause its Related Parties to) timely perform and take such actions as may be required to allow MacroGenics to comply with its obligations thereunder, including to provide to MacroGenics such information and reports as it reasonably requires, comply with reasonable requests for access to I- MAB's (and its Related Parties') records or facilities or otherwise cooperate with MacroGenics, including with respect to any Product-related financial and regulatory reporting, audit and payment obligations under each MacroGenics Third Party Agreement, insofar as they specifically relate to Enoblituzumab, MGA012 or any Product, including with respect to any Product that I-MAB sublicenses pursuant to this Agreement. I-MAB shall pay all the Triggered Third Party Payments in accordance with Section 7.5.

5.5 **Production of Product in the Territory.** In the event that MacroGenics elects to engage a Third Party to produce commercial supply of the Product in the Territory, MacroGenics shall promptly notify I-MAB of such intent. [***] of receiving such notice, I-MAB will confirm or decline its interest to secure such right. If I-MAB provides written confirmation of its interest within such period, and at such time I-MAB has [***], both Parties will enter good faith negotiations for the terms of a technology transfer and supply agreement to enable I-MAB for such Manufacture. Under the terms of such agreement, I-MAB shall not be required [***]. In addition, the Parties agree that such supply agreement will [***]. If I-MAB declines its interest, fails to notify MacroGenics [***], or the Parties fail to execute a binding agreement [***] after commencing such good faith negotiations, MacroGenics may enter into an agreement with a Third Party for such commercial supply in the Territory.

6. REGULATORY

6.1 **Overview.** I-MAB shall develop an overall regulatory strategy and plan for obtaining Regulatory Approval of the Product in the Territory to be included in the Global Development Plan and Territory Specific Development Plan and approved by the JSC.

6.2 **Product Information.** MacroGenics shall use Commercially Reasonable Efforts to provide to I-MAB the information for the Product, Combination Regimen and relevant Data, Regulatory Materials, and other Know-How related to the Product and Combination Regimen set forth in Exhibit E in accordance with a timeline and format to be determined by the JSC. On an ongoing basis, MacroGenics shall use Commercially Reasonable Efforts to promptly provide to I- MAB other Data, Regulatory Materials, and other Know-How reasonably requested by I-MAB and specifically pertaining to the Product and Combination Regimen to accommodate requests from Regulatory Authorities and to facilitate and support the conduct of the Territory Specific Development Plan and I-MAB's efforts under the Global Development Plan.

6.3 Regulatory Submissions.

(a) In each case ((i) and (ii)) other than Regulatory Submissions related to Regulatory Approvals (the ownership of which is addressed in Section 9.1(e)), (i) MacroGenics or its designee shall hold and own all Regulatory Submissions that are submitted to the Regulatory Authorities under the Global Development Plan or related to or resulting from any MacroGenics Global Clinical Trial(s); and (ii) subject to Applicable Laws and Regulations, I-MAB and MacroGenics or their respective designees shall jointly hold and own all other Regulatory Submissions that are submitted to Regulatory Authorities in the Territory under the Territory Specific Development Plan ("**Territory Specific Regulatory Submissions**"**).** For any Territory Specific Regulatory Submission which the Parties are not legally permitted to jointly own according to Applicable Laws and Regulations (i) MacroGenics shall be the sole and exclusive owner of any Territory Specific Regulatory Submission that MacroGenics is required by Applicable Laws and Regulations to hold and own in order for MacroGenics to be the sole and exclusive owner of the Regulatory Approvals that cover Indications addressed under the Global Development Plan and (ii) I-MAB shall be the sole and exclusive owner of all other Territory Specific Regulatory Submissions. I-MAB shall promptly provide all copies of Regulatory Submissions (including all updates thereof) to MacroGenics.

(b) I-MAB shall be responsible for, in I-MAB's or its designees' names ([***]) and/or MacroGenics' or its designees' names ([***]), at I-MAB's sole cost and expense, (x) the filing and obtaining all Regulatory Submissions, (y) responding to inquiries and correspondence from the Regulatory Authorities responsible for regulatory matters, and (z) the monitoring of all clinical experiences (to the extent [***], in which case, such Permitted Contractor shall be responsible for such monitoring and [***]) and submission of all required reports throughout clinical Development and Commercialization, in each case ((x) through (z)) in or for the Territory, in compliance with all Applicable Laws And Regulations. I-MAB shall notify MacroGenics of any material written or electronic communication received by I-MAB from a Regulatory Authority in the Territory regarding a Product or MGA012 [***] of receipt of such communication and upon MacroGenics' request, provide a copy of such communication that has been translated into English [***] of receipt of such request unless otherwise specified by MacroGenics, provided, however, in the event I-MAB receives a material communication from a Regulatory Authority that [***] to be submitted [***], I-MAB shall provide a copy of such communication to MacroGenics [***]. MacroGenics shall be responsible for providing to I-MAB any revisions to the investigator's brochure and CMC information required for Regulatory Submissions. MacroGenics (or its designee) shall have a right to participate (and I- MAB may otherwise request MacroGenics to participate) in meetings with the Regulatory Authorities regarding (i) any Product or (ii) MGA012. Each Party shall provide information to the other Party as necessary, and reasonably consult with the other Party regarding any filings, and regarding significant or material notices, actions or requests from or by Regulatory Authorities. Each Party shall, at the other Party's request, review and comment on filings, submissions, and responses to Regulatory Authorities related to any Product. As between the Parties, MacroGenics shall be responsible for, and shall bear all costs related to (x) the filing and obtaining all Regulatory Submissions, (y) responding to inquiries and correspondence from the Regulatory Authorities responsible for regulatory matters, and (z) the monitoring of all clinical experiences and submission of all required reports throughout clinical Development and Commercialization, in each case ((x) through (y)) outside of the Territory, in MacroGenics' sole discretion. To the extent a Regulatory Authority requests from I-MAB, an Affiliate or a Sublicensee information regarding the Product or Combination Regimen that I-MAB, such Affiliate or such Sublicensee reasonably believes is required to be submitted to a Regulatory Authority in order to obtain Regulatory Approval for any Product, then MacroGenics, upon request, shall provide reasonably requested assistance, materials, Data or Know-How in its possession that would be required to satisfy such Regulatory Authority request. To the extent that MacroGenics is aware that the applicable information described in this Section 6.2(b) is with a MacroGenics Sublicensee, then MacroGenics will use reasonable efforts to obtain such information from such MacroGenics Sublicensee.

6.4 **Records of Correspondence with Regulatory Authorities**. Following each communication (whether by phone or in person) with a Regulatory Authority regarding matters arising under this Agreement, I-MAB will prepare a record of such meeting in accordance with its standard business practices (*e.g.*, written minutes) or other format reasonably requested by MacroGenics and provide to MacroGenics a copy of such record.

6.5 **Safety Management Plan**. The Parties shall conduct in good faith and agree upon a safety management plan ("**Safety Management Plan**" or "**SMP**"), which will detail the Clinical Trial specific responsibilities, processes and other matters to ensure that adverse event notification and reporting requirements meet current health agency regulations and guidelines worldwide, as further detailed in Exhibit F. I-MAB shall cause its Related Parties and Permitted Subcontractors to submit all such information, data and reports required under the SMP directly to MacroGenics (or its designee) as applicable.

7. PAYMENTS

7.1 **Upfront Payment [***]** after the Effective Date, I-MAB shall pay to MacroGenics Fifteen Million United States Dollars (US$15,000,000), which shall be [***] due under this Agreement.

7.2 Development Milestone Payments.

(a) On [***], I-MAB shall pay to MacroGenics the milestone payments listed below for the [***] (each, a "**Milestone Payment**"), which in each case shall be [***] (but shall be subject [***]). Except for the Milestone Payment described in subsection (i), each Milestone Payment shall be payable for the [***] milestone event [***].

Milestone Event		Milestone Payment
(i) [***]		[***]
(ii) [***]		[***]
(iii) [***]		[***]
(iv) [***]	(A) [***]	[***]
	(B) [***]	[***]
	(C) [***]	[***]
	(D) [***]	[***]
(v) [***]		[***]
(vi) [***]		[***]

(b) I-MAB shall provide written notification to MacroGenics of the achievement of each of the milestones described in Sections 7.2(a)(i) and 7.2(a)(ii), and if they occur in the Territory 7.2(a)(iii) and 7.2(a)(iv) [***] after each such achievement under 7.2(a)(i), 7.2(a)(ii) 7.2(a)(iii) and 7.2(a)(iv). MacroGenics shall provide written notification to I-MAB of the achievement of each of the milestones described in Sections 7.2(a)(iii) and 7.2(a)(iv) if they occur outside of the Territory. In addition, MacroGenics shall provide I-MAB with a complete list of milestone payments subject to payment under Section 7.5 for Triggered Third Party Payments under any MacroGenics Third Party Agreements entered into by MacroGenics after the Effective Date, and I-MAB shall provide written notification to MacroGenics of the achievement of each such milestone event by or on behalf of I-MAB or its Related Party.

7.3 **Product Royalties**. I-MAB shall pay to MacroGenics a royalty at the rate determined in accordance with the royalty chart included in Exhibit G attached hereto on Net Sales of the Product for the Royalty Term.

7.4 **Royalty Adjustments.** If it is reasonably necessary for I-MAB or MacroGenics to license one or more Patents from one or more Third Parties (a) with respect to MacroGenics, in order to Develop, Manufacture, Commercialize or use the Product [***], or (b) with respect to I-MAB, solely in order to Commercialize or use the Product [***], in each case ((a) and (b)) without infringing the Patents of such Third Parties, then such Party may, in its sole discretion, negotiate and obtain a license under such Patent(s) (each such Third Party license referred to herein as a "**Required License**"), provided that with respect to I- MAB, the foregoing shall [***]. The royalties otherwise payable to MacroGenics under Section 7.3 with respect to Net Sales of Product by I-MAB, its Affiliates or Sublicensees for a Calendar Quarter [***] to Third Parties with respect to such Third Party Patents pursuant to such Required Licenses for such Calendar Quarter, provided that in no event shall the total royalty payable to MacroGenics for Net Sales of Product in a given Calendar Quarter [***] of the royalty amounts under Section 7.3 otherwise payable for Net Sales of Product, with any remainder creditable against royalties under Section 7.3 payable in subsequent Calendar Quarters.

(a) **Biosimilar Product Market Effect**. If there is no longer a Valid Claim within the MacroGenics Licensed Patents covering a given Product in a Country or Region in the Territory, then I-MAB may reduce the royalty payments for Net Sales for such Product in such Country or Region by [***] ([***]%) in any Calendar Quarter in which one or more Biosimilar Products for such Product are on the market in such Country or Region and sales of such Biosimilar Products in such Country or Region [***] of such Biosimilar Products and Product in such Country or Region.

7.5 **Triggered Third Party Payments**. In addition to the other payments set forth in this Agreement, I-MAB shall reimburse MacroGenics for all Triggered Third Party Payments. I- MAB's obligations under this Section 7.5 with respect to the payment of Triggered Third Party Payments under a given MacroGenics Third Party Agreement shall terminate upon termination of MacroGenics' obligation to pay such Triggered Third Party Payments under the terms of such MacroGenics Third Party Agreement.

7.6 **Payment of Milestones**. All milestone payments shall be due and payable [***] after delivery by MacroGenics of an invoice therefor.

7.7 Reports; Payments.

(a) **Net Sales Quarterly Reports**. During the Term, following the First Commercial Sale of a Product in the Territory, I-MAB shall furnish to MacroGenics:

(i) a quarterly written report for the Calendar Quarter showing the Net Sales of all Product subject to royalty payments sold by I-MAB and its Related Parties in the Territory during the reporting period and the royalties payable under this Agreement; and

(ii) a quarterly report for the Calendar Quarter showing the Triggered Third Party Payments, I-MAB's royalties payable to Third Parties on Net Sales made during such Calendar Quarter and any royalty adjustments taken by I-MAB pursuant to Section 7.4, with such detail as shall reasonably allow MacroGenics to determine the basis for such quarterly costs.

(b) Submission and Payment Schedule

(i) Reports under this Section 7.7 shall be due on the [***] following the close of each Calendar Quarter.

(ii) Royalties (including those within the Triggered Third Party Payments) shown to have accrued by each report shall, unless otherwise specified under this Agreement, [***].

7.8 **Payment Exchange Rate**. All payments to be made by I-MAB to MacroGenics under this Agreement shall be made in U.S. Dollars by bank wire transfer in immediately available funds to a bank account in the United States designated in writing by MacroGenics. For invoices that I-MAB shall forward to MacroGenics, I-MAB shall use an exchange rate [***], or such other source as the Parties may agree in writing. I-MAB shall take all possible steps to ensure all payments are made to MacroGenics under this Agreement, including by paying from non-Territory sources.

7.9 **Taxes**. All taxes applicable to the Development, Manufacture, Commercialization, use, import, distribution or sale of the Product in the Territory or assessable on any payments made by I-MAB to MacroGenics under this Agreement shall be paid by I-MAB, with the exception of income taxes owed by MacroGenics. If I-MAB is required under Applicable Laws and Regulations to deduct or withhold any taxes on any payments from I-MAB to MacroGenics pursuant to this Agreement, [***]. I-MAB shall process such payment using an amount necessary [***]. I-MAB shall [***] taxes or other amount required by Applicable Laws and Regulations [***] under this Agreement to MacroGenics.

8. RECORD KEEPING, INSPECTIONS AND AUDITS

8.1 Records

(a) **Collaboration Activities.** Each Party shall maintain appropriate records of:

(i) all research, Development, Manufacturing and Commercialization events and activities conducted by it or on its behalf related to the Product hereunder, and all costs incurred in connection therewith, as applicable; and (ii) all significant information generated by it or on its behalf in connection with Development of the Product under this Agreement, in each case in accordance with such Party's usual documentation and record retention practices, provided, that, without limiting the foregoing, I-MAB shall maintain appropriate records of all information generated by it or on its behalf in connection with the use of MGA012 and research and Development of the Product related thereto under this Agreement. All records referenced by this Section 8.1(a) shall be in sufficient detail to properly reflect, in good scientific manner, all significant work done and results of studies and trials undertaken, and further shall be at a level of detail appropriate for patent and regulatory purposes. Upon the reasonable request of a Party, the other Party shall make such records available to the requesting Party. I-MAB shall cause its Related Parties and Permitted Subcontractors to comply with this Section 8.1(a).

(b) **Records for I-MAB Payments**. Without limiting Section 8.1(a), I-MAB shall keep complete and accurate records in sufficient detail to (i) ensure that MacroGenics receives the full amount of royalties payable to it under Section 7.3 and Triggered Third Party Payments payable under Section 7.5 and (ii) reasonably allow MacroGenics to determine the basis for the MacroGenics Outside Cost Share. At the reasonable request of MacroGenics, I-MAB shall make such records available to MacroGenics.

(c) **MacroGenics' FBMC and Development Costs**. MacroGenics shall keep complete and accurate records with such detail as shall reasonably allow I-MAB to determine the basis for such FBMC, the Territory Development Costs and the I-MAB Outside Cost Share. At the reasonable request of I-MAB, MacroGenics shall make such records available to I-MAB.

8.2 Audit Rights.

(a) Upon the written request of a Party ("**Requesting Party**") with reasonable advance notice and [***], the other Party shall permit an independent certified public accounting firm of internationally recognized standing selected by the Requesting Party and reasonably acceptable to the other Party, at its own expense, to have access during normal business hours to such of the records as may be reasonably necessary to verify the that the correct amounts have been paid to such Party under this Agreement during any Calendar Year ending [***] prior to the date of such request. The accounting firm shall disclose to the Requesting Party only whether the reports are correct or incorrect and the specific details concerning any discrepancies. No other information shall be provided to Requesting Party in connection with this audit right. This right to audit shall remain in effect throughout the life of this Agreement and [***] the termination of this Agreement (and thereafter until [***] under the terms of the [***]).

(b) **Discrepancies**. If such accounting firm identifies a discrepancy, the other Party shall pay Requesting Party the amount of the discrepancy [***] of the date Requesting Party delivers to the other Party such accounting firm's written report so concluding, or as otherwise agreed upon by the Parties. The fees charged by such accounting firm shall be paid by Requesting Party unless the underpayment by the other Party [***] ([***]%) of the amount owed for such Calendar Year, in which case the other Party shall pay to Requesting Party the reasonable fees charged by such accounting firm.

(c) **Confidentiality**. Each Party shall treat all information of the other Party subject to review under this Section 8 in accordance with the confidentiality and non-use provisions of this Agreement, and shall cause its accounting firm to enter into an acceptable confidentiality agreement with the audited Party and any applicable Related Parties, obligating it or them to retain all such information in confidence pursuant to such confidentiality agreement.

9. LICENSES

9.1 License to I-MAB.

(a) **Product**. Subject to the terms and conditions of this Agreement, MacroGenics hereby grants to I-MAB an exclusive, royalty-bearing license (or sublicense, as applicable), with the right to grant sublicenses (subject to Section 9.1(d)), under the MacroGenics Licensed Technology and the MacroGenics Licensed Trademarks to conduct the Development activities allocated to I-MAB under the Global Development Plan and the Territory Specific Development Plan (subject to MacroGenics' reserved rights to conduct Development under Section 9.1(g)), and to Commercialize and otherwise distribute, sell, offer for sale and import the Product in the Field in the Territory during the Term. For clarity, I-MAB shall not have the right to Manufacture the Product except to the extent approved by the JSC.

(b) Subject to the terms and conditions of this Agreement, MacroGenics hereby grants to I-MAB an exclusive, royalty-bearing license (or sublicense, as applicable), with the right to grant sublicenses (subject to Section 9.1(d)), under the MacroGenics Licensed Technology to utilize MGA012 solely as a component of the Combination Regimen in the conduct of the Development activities allocated to I-MAB under the Global Development Plan and the Territory Specific Development Plan (subject to MacroGenics' reserved rights to conduct Development under Section 9.1(g)), which for clarity shall include the conduct of one or more Combination Regimen Study(ies), and, following Regulatory Approval of such Combination Regimen in the Territory, to market and promote such Combination Regimen in accordance with the approved label in the Field in the Territory during the Term. For clarity, I-MAB shall not have the right to (i) Manufacture MGA012 or (ii) to Develop or Commercialize MGA012 as an independent product or as part of any combination product or combination regimen with any product or compound other than Enoblituzumab.

(c) Notwithstanding anything to the contrary hereunder, with respect to any MacroGenics Licensed Technology which MacroGenics Controls pursuant to the license granted to MacroGenics from Incyte under the Incyte Agreement, the foregoing sublicenses granted to I- MAB under Sections 9.1(a) and (b) shall be non-exclusive.

(d) **Sublicensees**.

(i) [***], I-MAB shall have the right to grant a sublicense to a Third Party to Develop or Commercialize a Product in the Territory, provided that [***].

(ii) [***], I-MAB shall have the right to grant a sublicense to a Third Party [***].

(iii) Each sublicense granted by I-MAB shall be in writing and subordinate to this Agreement, and I-MAB shall remain responsible to MacroGenics for the compliance of each Sublicensee with the terms and conditions of this Agreement, including with respect to the financial and other obligations due under this Agreement. I-MAB shall provide a copy of each such sublicense (and all amendments or restatements thereof) to MacroGenics so that MacroGenics can confirm I-MBA's compliance with the foregoing (which copy may be redacted as necessary to protect confidential or commercially sensitive information, provided, however, that such redaction shall not impede MacroGenics' ability to confirm compliance with this Agreement). Each sublicense granted by I-MAB under this Agreement shall permit the conversion of such sublicense to a direct license with MacroGenics at MacroGenics' sole option (and discretion) in the event this Agreement is terminated and, upon such conversion, MacroGenics shall be responsible for all former obligations of I-MAB under such sublicense. I-MAB shall include in each such sublicense a requirement obligating such Sublicensee to cooperate with MacroGenics.

(e) **Regulatory Approvals**.

(i) MacroGenics or its designee shall solely hold and exclusively own all Regulatory Approvals in the Territory under the Global Development Plan (and Regulatory Submissions related to such Regulatory Approvals). I-MAB hereby assigns, transfers and conveys to MacroGenics all of I-MAB's (and its Affiliates' and Sublicensees') right, title and interest in and to such Regulatory Approvals and Regulatory Submissions related to such Regulatory Approvals such that MacroGenics shall be the sole owner thereof as specified in this Section 9.1(e)(i);

(ii) To the extent required or permitted by Applicable Laws and Regulations, I-MAB and MacroGenics or their respective designees shall jointly own and hold all Regulatory Approvals in the Territory under the Territory Specific Development Plan (and Territory Specific Regulatory Submissions related to such Regulatory Approvals). Subject to the restrictions imposed by the Applicable Laws and Regulations, each Party hereby assigns, transfers and conveys to the other Party one-half (1/2) of its (and its Affiliates' and Sublicensees') right, title and interest in and to such Regulatory Approvals and Regulatory Submissions related to such Regulatory Approvals such that I-MAB and MacroGenics shall be equal joint owners thereof as specified in this Section 9.1(e)(ii).

(iii) For any Regulatory Approvals in the Territory under the Territory Specific Development Plan (and Territory Specific Regulatory Submissions related to such Regulatory Approvals) which the Parties [***] Regulatory Approvals and Territory Specific Regulatory Submissions that MacroGenics is [***] in order for MacroGenics to be the [***] under the Global Development Plan and (B) [***] of all other such Regulatory Approvals and Territory Specific Regulatory Submissions. Subject to any restrictions imposed by Applicable Laws and Regulations, [***] Regulatory Approvals and Regulatory Submissions related to such Regulatory Approvals such that I-MAB shall [***].

(f) **Limitations**. During the Term, I-MAB shall not (either by itself, or with or through a Related Party or Third Party) (i) Develop or Commercialize the Product or MGA012 or (ii) utilize any Clinical Data or (iii) practice the MacroGenics Licensed Technology outside of the scope of this Agreement.

(g) **MacroGenics Retained Rights**. MacroGenics shall retain the following: (i) the right to Manufacture or have Manufactured the Product and MGA012 in the Territory, (ii) all rights to conduct non-clinical Development in the Territory and clinical Development in the Territory solely in connection with a MacroGenics Global Clinical Trial in accordance with Section 3.9; (iii) the right to develop and/or Commercialize MGA012, except as a component of the Combination Regimen, in the Territory, (iii) all rights not otherwise granted to I-MAB and (iv) the right to use any Clinical Data in connection with the Development of a combination of the Product and any PD-1 directed molecule outside the Territory. For clarity, notwithstanding the licenses granted to I-MAB pursuant to Section 9.1, no right or license is granted by MacroGenics to I-MAB under the MacroGenics Licensed Technology or MacroGenics Licensed Trademarks with respect to any compound or product covered by such MacroGenics Licensed Technology or MacroGenics Licensed Trademarks, including without limitation, any Other Component of a Combination, other than Enoblituzumab and solely in accordance with Section 9.1(a) and use of MGA012 solely in accordance with Section 9.1(b).

9.2 **License to MacroGenics**. I-MAB hereby grants to MacroGenics a royalty-free, license outside the Territory, with the right to grant sublicenses (through multiple tiers), under the I-MAB Licensed Patents and I-MAB Licensed Know-How that is incorporated into the Product, and all other intellectual property Controlled by I-MAB that is specifically related to the Product or MGA012 to the extent useful or necessary for MacroGenics (its Affiliates or licensees) to research, identify, develop, make, have made, use, sell, offer for sale and import the Product, MGA012 or products containing or incorporating MGA012 (whether as a monotherapy, multi- therapy, combination or otherwise). Such license shall be non-exclusive with respect to the Product and exclusive with respect to MGA012. MacroGenics shall provide a copy of each such sublicense (and all amendments or restatements thereof) to I-MAB, which copy may be redacted as necessary to protect confidential or commercially sensitive information.

9.3 **Clinical Data Licenses**. Subject to the terms and conditions of this Agreement, MacroGenics hereby grants to I-MAB a royalty-free license, with the right to grant sublicenses, during the Term to use (a) all Clinical Data and (b) other data Controlled by MacroGenics, as necessary or reasonably useful for I-MAB to exercise its rights and fulfill its obligations under this Agreement, in each case ((a) and (b)) solely with respect to the Development and Commercialization of the Product in the Field in the Territory hereunder. The limited license granted to I-MAB pursuant to this Section 9.3 shall be co-exclusive (with MacroGenics, its Affiliates and its and their respective licensees and sublicensees) with respect to the Clinical Data and non-exclusive with respect to any other data. At I-MAB's request, MacroGenics shall provide a copy of the foregoing Clinical Data (not already in I-MAB's possession) on a commercially reasonable schedule to I-MAB.

9.4 **Negative Covenant**. Each Party covenants that, except to the extent Third Parties generally are lawfully permitted to do so without a granted license from or other contractual right with the other Party, it shall not use or practice any of the other Party's intellectual property rights licensed to it under this Section 9 except for the purposes expressly permitted in the applicable license grant.

9.5 **No Implied Licenses**. Except as explicitly set forth in this Agreement, neither Party grants any license, express or implied, under its intellectual property rights to the other Party.

9.6 Diversion.

(a) I-MAB hereby covenants and agrees that it shall not, either directly or indirectly, promote, market, distribute, import, sell or have sold the Product or MGA012, including via the Internet or mail order, to any Third Party, address or Internet Protocol address outside of the Territory.

(b) If any of I-MAB 's Product is diverted for use outside the Territory, the following shall apply: (i) if such Product was diverted by an identifiable customer, distributor, employee, consultant or agent of I-MAB then, upon the request of MacroGenics, I-MAB shall not sell such Product to, or allow the sale of such Product by, any such customer, distributor, employee, consultant or agent for the remaining Term and shall use Commercially Reasonable Efforts to buy back all such Product from such customer, distributor, employee, consultant or agent [***] of such request from MacroGenics; or (ii) I-MAB shall use Commercially Reasonable Efforts to investigate the location of such diverted Product and buy it back; but, if and to the extent that, I-MAB elects not to, or is unable to, buy back the applicable diverted Product, then MacroGenics may, in its sole discretion, buy back the applicable diverted Product, and I- MAB shall reimburse MacroGenics for all reasonable costs incurred by MacroGenics in connection with the buy-back or lost sales of any such diverted Product.

10. CONFIDENTIALITY; PUBLICATION

10.1 Nondisclosure Obligation

(a) **Definition and Restrictions**. All Confidential Information disclosed by one Party to the other Party at any time, including before the Effective Date or after the expiration or termination of this Agreement, shall be maintained in confidence by the receiving Party and shall not be disclosed by the receiving Party to any Third Party or used by the receiving Party for any purpose except as set forth herein without the prior written consent of the disclosing Party, during the Term and for a period [***], provided that with respect to any Confidential Information of MacroGenics that constitutes (i) [***], such confidentiality and non-use obligations shall continue beyond [***] for so long as such information [***], or (ii) confidential information of a Third Party to which MacroGenics has an obligation of confidentiality or non- use, the confidentiality and non-use obligations in this Agreement shall (A) further include such additional confidentiality and non-use obligations as MacroGenics is required to undertake with respect to such confidential information, and (B) continue beyond [***] for so long as MacroGenics is required to maintain such confidential information as confidential, in each case ((A) and (B)) pursuant to its agreement with such Third Party (including any MacroGenics Third Party Agreements). The following shall not be deemed Confidential Information for purposes of the restrictions set forth in this Section 10.1(a):

(i) Information that is known by the receiving Party at the time of its receipt, and not through a prior disclosure by the disclosing Party, as documented by the receiving Party's business records;

(ii) Information that is or becomes part of the public domain through no fault of the receiving Party;

(iii) Information that is subsequently disclosed to the receiving Party by a Third Party who may lawfully do so and is not under an obligation of confidentiality to the disclosing Party; and

(iv) Information that is developed by the receiving Party independently of Confidential Information received from the disclosing Party, as documented by the receiving Party's business records.

(b) **Combinations.** Any combination of features or disclosures shall not be deemed to fall within the exclusions set forth in Section 10.1(a) merely because individual features are published or available to the general public or in the rightful possession of the receiving Party unless the combination itself and principle of operation are published or available to the general public or in the rightful possession of the receiving Party.

(c) **Permitted Disclosures**. Notwithstanding the restrictions set forth in Section 10.1(a), the receiving Party may disclose Confidential Information of the other Party to:

(i) governmental or other regulatory agencies in order to obtain Patents or to gain or maintain approval to conduct clinical trials or to market the Product, but such disclosure may be only to the extent reasonably necessary to obtain Patents or authorizations; or

(ii) as the receiving Party deems necessary to be disclosed, to its Affiliates, agents, consultants, or other Third Parties for the Development, Manufacture (with respect to MacroGenics permitted disclosures) or Commercialization of the Product, or in connection with a licensing transaction or contractual obligation related to the Product or loan, financing or investment or acquisition, merger, consolidation or similar transaction (or for such entities to determine their interest in performing such activities or to determine their rights and obligations as a result of completing such transactions) or in order to perform its obligations or exercise its rights under this Agreement, in each case on the condition that any Third Parties, other than Regulatory Authorities, to whom such disclosures are made agree to be bound by confidentiality and non-use obligations substantially similar to those contained in this Agreement; provided that the term of confidentiality and non-use applicable to such Third Parties shall be [***] (but of shorter duration if customary given the nature of such Person (*i.e.*, investors, lenders and banking institutions; provided that with respect to any Confidential Information of MacroGenics hereunder that MacroGenics informed I-MAB in writing at or prior to the time of disclosure to I-MAB that such Confidential Information (either in itself or as a category of information) constitutes confidential information under the Incyte Agreement such shorter duration [***]) from the date of disclosure to I-MAB, provided further, that with respect to Confidential Information of MacroGenics that constitutes (a) a trade secret, such confidentiality and non-use obligations shall apply for so long as such information constitutes a trade secret under Applicable Laws and Regulations, or (b) confidential information of a Third Party under a MacroGenics Third Party Agreement, such confidentiality and non-use obligations shall apply for so long as MacroGenics is required to keep such information confidential under such a MacroGenics Third Party Agreement. Without limiting the foregoing or remainder of this Section 10.1, with respect to Confidential Information of MacroGenics disclosed to I-MAB hereunder that at the time of disclosure to I-MAB, MacroGenics identifies such confidential information as a trade secret under the Incyte Agreement, prior to I-MAB disclosing such trade secret to a Third Party (to the extent permitted hereunder), I-MAB shall expressly contractually bind the Third Party to obligations to keep the trade secret confidential to the extent protected as a trade secret under Applicable Laws and Regulations.

(d) **Disclosure Required by Judicial or Administrative Process.** If a Party is required by judicial or administrative process to disclose Confidential Information of the other Party that is subject to the non-disclosure provisions of this Section 10.1, such Party shall promptly inform the other Party of the disclosure that is being sought in order to provide the other Party an opportunity to challenge or limit the disclosure obligations. Confidential Information that is disclosed by judicial or administrative process shall remain otherwise subject to the confidentiality and non-use provisions of this Section 10.1, and the Party disclosing Confidential Information pursuant to law or court order shall take all steps reasonably necessary, including obtaining an order of confidentiality, to ensure the continued confidential treatment of such Confidential Information.

(e) **Obligations Upon Termination.** Upon the termination or expiration of this Agreement, or upon the earlier request of either Party, the receiving Party shall return to the disclosing Party, all of the disclosing Party's Confidential Information, including all copies thereof, provided that the receiving Party may retain one copy for archival purposes, and provided further, that a receiving Party shall not be required to destroy electronic files containing such Confidential Information of the disclosing Party that are made in the ordinary course of its business information back-up procedures pursuant to its electronic record retention and destruction practices that apply to its own general electronic files and information, and any such retained copies shall continue to be subject to the confidentiality and non-use obligations in accordance with this Agreement.

10.2 Publication

(a) **Publication of Results**. I-MAB and MacroGenics each acknowledge the other Party's interest in publishing the results of its activities under the Collaboration in order to obtain recognition within the scientific community and to advance the state of scientific knowledge. Each Party also recognizes the mutual interest in obtaining valid patent protection and in protecting business interests and trade secret information. The JSC shall establish procedures for review of publications related to the Collaboration, ensuring that, except for disclosures permitted pursuant to Section 10.1, either Party and its employees wishing to make a publication related to work performed under this Agreement shall deliver to the other Party a copy of the proposed publication for review. If such publication will be written, delivery will occur at least [***] ([***] if an abstract) before publication submission. If such publication will be an oral disclosure, delivery of a written outline of the disclosure will occur at last [***] before publication submission. Publications related to MacroGenics Global Clinical Trials conducted by MacroGenics or its Affiliates or permitted licensees in which the majority of patients reside outside the Territory which shall not be subject to this Section 10.2.

(b) Review of Publications and Presentations

(i) Prior to its publication submission, a Party that receives a publication copy under Section 10.2(a) to review shall have the right (a) to propose modifications to the publication for patent reasons, trade secret reasons, or for purposes of removing the Confidential Information of the reviewing Party, or (b) to request a reasonable delay in publication or submission for presentation in order to protect trade secret or patentable information.

(ii) If the reviewing Party requests the removal of the reviewing Party's Confidential Information or a delay, the publishing Party shall remove such Confidential Information and if requested by the reviewing Party delay submission for publication or submission for presentation for a period of [***] to enable patent applications protecting each Party's rights in such Confidential Information to be filed in accordance with Section 13 below.

(iii) Upon expiration of such [***] and satisfaction of any other conditions imposed by the JSC, the publishing Party shall be free to proceed with the publication or submission for presentation.

(iv) Upon request of the Party seeking publication, the reviewing Party shall consider expediting the time frames set forth in this Section 10.2.

(v) If the reviewing Party requests modifications to the publication or submission for presentation, the publishing Party shall edit such publication to prevent disclosure of the Confidential Information of the reviewing Party.

10.3 Publicity; Use of Names

(a) **Press Releases**. The Parties shall issue a mutually acceptable press release announcing the execution of this Agreement, substantially in the form of Exhibit H. A Party may issue any subsequent press release relating to this Agreement or activities conducted hereunder upon prior written approval of the other Party, such approval not to be unreasonably withheld or delayed; provided, however, that no approval of the other Party shall be required if a subsequent press release or securities filing solely discloses the information that (1) a milestone under this Agreement has been achieved or any payments associated therewith have been received; (2) the filing or approval of a BLA generally has occurred (provided, however, that specific dates of filing shall not be disclosed); (3) initiation of any clinical trial; and (4) commercial launch of a Product or any information that has previously been approved and disclosed as permitted by this Section 10.3(a). In the case of items (1) to (4) of the preceding sentence, the disclosing Party shall provide the other Party a copy of such proposed disclosures [***] prior to the proposed release and consider in good faith any comments the other Party may make, where practicable, and in light of any reporting obligations of such disclosing Party under Applicable Laws and Regulations, including the rules and regulations promulgated by the United States Securities and Exchange Commission or any other governmental agency.

(b) **No Other Use of Company Names**. Neither Party shall use the name, trademark, trade name or logo of the other Party or its employees in any publicity or news release relating to this Agreement or its subject matter without the prior express written permission of the other Party.

(c) **Approved Press Releases**. In addition and notwithstanding anything to the contrary herein, (a) if the relevant text of a proposed press release has already previously been reviewed and approved for disclosure by the other Party then such text may be disclosed or republished in such proposed press release provided that the Party issuing such press release provides notice to the other Party of such press release [***] prior to the issuance of such press release, where practicable, and (b) if the relevant text of a proposed public announcement such as a corporate presentation or comments to analysts or investors has already previously been reviewed and approved for disclosure by the other Party (whether in the form of an approved press release or prior approved presentation materials, Q&A script or the like) then such text may be included in such proposed public announcement (but not a press release) without resubmission and review by the other Party.

(d) Existence of Agreement

(i) **No Disclosure**. Neither Party shall disclose the existence or terms of this Agreement pursuant to a press release or otherwise except as provided in this Section 10.3(d).

(ii) Permitted Disclosures

(A) Notwithstanding the terms of this Section 10, either Party shall be permitted to disclose the existence and terms of this Agreement and the conduct of the Collaboration under this Agreement, to the extent required, in the reasonable opinion of such Party's legal counsel, to comply with Applicable Laws and Regulations, including the rules and regulations promulgated by the United States Securities and Exchange Commission or any other governmental agency or pursuant to the rules of any recognized stock exchange. The disclosing Party shall take reasonable and lawful actions to avoid or minimize the degree of such disclosure.

(B) Either Party may also disclose the existence and terms of this Agreement to its attorneys, accountants and advisors, and to potential acquirors, in connection with a potential acquisition or other change of control transaction and to existing and potential investors or lenders of such Party, as a part of their due diligence investigations, or to potential licensees or to potential and current permitted assignees in each case under an agreement to keep the terms of this Agreement confidential under terms of confidentiality and non-use substantially similar to the terms contained in this Agreement, provided that the term of confidentiality may be of shorter duration if customary owing to the nature of such Person (*i.e.*, investors, lenders and banking institutions) and to use such confidential information solely for the purpose of the contemplated transaction.

(C) MacroGenics may also disclose the existence and terms of this Agreement pursuant to transactions related to the research, Development, Manufacture or Commercialization or exploitation of the Product or MGA012 ("**Licensing Transactions**"), in each case under an agreement to keep the terms of this Agreement confidential under terms of confidentiality and non-use substantially similar to the terms contained in this Agreement and to use such confidential information solely for the purpose of the contemplated transaction. The transactions described in Section 10.3(d)(ii)(B) shall not be deemed Licensing Transactions for purposes of this Section 10.3(d)(ii)(C).

11. REPRESENTATIONS AND WARRANTIES

11.1 **Representations and Warranties of MacroGenics**. MacroGenics represents and warrants to I-MAB that, as of the Effective Date:

(a) it has the full right, power and authority to enter into this Agreement, to perform the Collaboration, and to grant the licenses contemplated under Section 9, and the fulfillment of its obligations and performance of its activities hereunder do not materially conflict with, violate, or breach or constitute a default under any contractual obligation or court or administrative order by which MacroGenics is bound;

(b) all necessary consents, approvals and authorizations of all government authorities and other persons required to be obtained by MacroGenics as of the Effective Date in connection with the execution, delivery and performance of this Agreement have been obtained;

(c) it Controls the right, title and interest in and to the MacroGenics Licensed Patents, and has the right to grant to I-MAB the licenses under such MacroGenics Licensed Patents that it purports to grant hereunder and has not granted any Third Party rights under such MacroGenics Licensed Patents that would interfere or be inconsistent with I-MAB 's rights hereunder;

(d) to its knowledge, except for those licensed or sublicensed under the MacroGenics Third Party Agreements, the MacroGenics Licensed Patents are not subject to any existing royalty or other payment obligations to any Third Party; and

(e) to its knowledge, the issued Patents in the MacroGenics Licensed Patents are valid and enforceable and it is not aware of any action, suit, inquiry, investigation or other proceeding threatened, pending, or ongoing brought by any Third Party that challenges or threatens the validity or enforceability of any of the MacroGenics Licensed Patents or that alleges the use of the MacroGenics Licensed Patents or the Development, Manufacture, Commercialization, and use of the Product would infringe intellectual property rights of any Third Party (and it has not received any notice alleging such an infringement). In the event that MacroGenics receives written notice of any such action or proceeding, it shall notify I-MAB in writing.

11.2 **Representations and Warranties of I-MAB**. I-MAB represents and warrants to MacroGenics that as of the Effective Date:

(a) it has the full right, power and authority to enter into this Agreement, to perform the Collaboration, to grant the licenses granted hereunder and the fulfillment of its obligations and performance of its activities hereunder do not materially conflict with, violate, or breach or constitute a default under any contractual obligation or court or administrative order by which I-MAB is bound;

(b) all necessary consents, approvals and authorizations of all government authorities and other persons required to be obtained by I-MAB as of the Effective Date in connection with the execution, delivery and performance of this Agreement have been obtained.

(c) to its knowledge, no I-MAB Licensed Patents or I-MAB Licensed Know- How exists as of the Effective Date that are or would be necessary for the Development, Manufacture or Commercialization of the Product.

(d) it Controls the right, title and interest in and to the I-MAB Licensed Patents and I-MAB Licensed Know-How, and has the right to grant to MacroGenics the licenses that it purports to grant hereunder and has not granted any Third Party rights that would interfere or be inconsistent with MacroGenics' rights hereunder;

(e) to its knowledge, the I-MAB Licensed Patents and I-MAB Licensed Know-How are not subject to any existing royalty or other payment obligations to any Third Party; and

(f) to its knowledge, the issued Patents in the I-MAB Licensed Patents are valid and enforceable and it is not aware of any action, suit, inquiry, investigation or other proceeding threatened, pending, or ongoing brought by any Third Party that challenges or threatens the validity or enforceability of any of the I-MAB Licensed Patents or that alleges the use of the I-MAB Licensed Patents or the development, manufacture commercialization and use of the Product would infringe intellectual property rights of any Third Party (and it has not received any notice alleging such an infringement). In the event that I-MAB becomes aware of any such action or proceeding, it shall immediately notify MacroGenics in writing.

11.3 **No Other Representations or Warranties**. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR NON-MISAPPROPRIATION OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, IS MADE OR GIVEN BY OR ON BEHALF OF A PARTY. ALL REPRESENTATIONS AND WARRANTIES, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXPRESSLY EXCLUDED.

12. INDEMNIFICATION

12.1 **By I-MAB**. I-MAB agrees to indemnify and hold harmless MacroGenics, its Affiliates, and their directors, officers, employees and agents (individually and collectively, the "**MacroGenics Indemnitee(s)**") from and against all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) incurred in connection with any claims, demands, actions or other proceedings by any Third Party (individually and collectively, "**Losses**") first arising after the Effective Date to the extent arising from (a) activities by I-MAB or any of its Affiliates or Permitted Subcontractors with respect to the research, Development, use, Commercialization, import, distribution, or sale of the Product or any other exercise of their rights or performance of their obligations hereunder, (b) the use by I-MAB or any of its Related Parties or Permitted Subcontractors of the MacroGenics Licensed Patents or MacroGenics Licensed Know-How, (c) the negligence, illegal conduct or willful misconduct of I-MAB, or (d) I-MAB 's breach of this Agreement, except to the extent such Losses arise out of any of MacroGenics Indemnitee's negligence, illegal conduct or willful misconduct, or breach of this Agreement.

12.2 **By MacroGenics**. MacroGenics agrees to indemnify and hold harmless I-MAB, its Affiliates, and their directors, officers, employees and agents (individually and collectively, the "**I-MAB Indemnitee(s)**") from and against all Losses to the extent arising from (a) activities by MacroGenics or any of its Affiliates or Permitted Subcontractors with respect to the research, Development, use, Commercialization or sale of the Product for the purpose of Commercialization or sale of the Product or any other exercise of their rights or performance of their obligations hereunder, (b) the negligence, illegal conduct or willful misconduct of MacroGenics, (c) the use by MacroGenics or any of its Related Parties or Permitted Subcontractors of the I-MAB Licensed Patents or I-MAB Licensed Know-How, or (d) MacroGenics' breach of this Agreement, except to the extent such Losses arise out of any of I-MAB Indemnitee's negligence, illegal conduct or willful misconduct, or breach of this Agreement.

12.3 **Defense**. If any such claims or actions are made, the Indemnitee shall be defended at the Indemnifying Party's sole expense by counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnitee, provided that the Indemnitee may, at its own expense, also be represented by counsel of its own choosing. The Indemnifying Party shall have the sole right to control the defense of any such claim or action, subject to the terms of this Section 12.

12.4 **Settlement**. The Indemnifying Party may settle any such claim, demand, action or other proceeding or otherwise consent to an adverse judgment (a) with prior written notice to the Indemnitee but without the consent of the Indemnitee where the only liability to the Indemnitee is the payment of money and the Indemnifying Party makes such payment, provided such settlement would not subject the Indemnitee to an injunction or otherwise adversely impact any of the Indemnitee's rights under this Agreement or constitute an admission of guilt or wrongdoing by the Indemnitee, or (b) in all other cases, only with the prior written consent of the Indemnitee, such consent not to be unreasonably withheld.

12.5 **Notice**. The Indemnitee shall notify the Indemnifying Party promptly of any claim, demand, action or other proceeding under Section 12.1 or Section 12.2 and shall reasonably cooperate with all reasonable requests of the Indemnifying Party with respect thereto.

12.6 **Settlement by Indemnifying Party**. The Indemnitee may not settle any such claim, demand, action or other proceeding or otherwise consent to an adverse judgment in any such action or other proceeding or make any admission as to liability or fault without the express written permission of the Indemnifying Party. Provided, however, that such permission shall not be required if such settlement does not involve (a) any admission of legal wrongdoing by the other Party's Indemnitee(s), or (b) the imposition of any equitable relief against the other Party's Indemnitee(s).

12.7 **Limitation of Liability.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES OR FOR LOST PROFITS ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 12.7 IS INTENDED TO OR SHALL LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY UNDER SECTION 12, OR DAMAGES AVAILABLE FOR A PARTY'S BREACH OF CONFIDENTIALITY OBLIGATIONS IN SECTION 10.

13. INVENTIONS; PATENT PROVISIONS

13.1 Ownership of Intellectual Property

(a) Ownership of MacroGenics IP. As between MacroGenics and I-MAB, MacroGenics shall remain the sole and exclusive owner of all MacroGenics Licensed Patents, MacroGenics Licensed Trademarks and MacroGenics Licensed Know-How that (i) exist as of the Effective Date; or (ii) that comes into existence after the Effective Date that MacroGenics does not own under Section 13.1(c).

(b) Ownership of I-MAB IP. As between I-MAB and MacroGenics, I-MAB shall remain the sole and exclusive owner of all I-MAB Licensed Know-How that exists as of the Effective Date; or (ii) that comes into existence after the Effective Date that I-MAB does not own under Section 13.1(c).

(c) Ownership of Collaboration IP. MacroGenics shall own all data, results and inventions, whether patentable or not, conceived or reduced to practice in the course of conducting the Collaboration solely by MacroGenics, its Affiliates or its or its Affiliates' respective consultants or subcontractors, together with all intellectual property rights therein. I-MAB shall own all data (other than Clinical Data, the ownership of which is addressed in Section 3.7), results and inventions, whether patentable or not, conceived or reduced to practice in the course of conducting the Collaboration solely by I-MAB or its Affiliates or its or its Affiliates' respective consultants or subcontractors, together with all intellectual property rights therein. MacroGenics and I-MAB shall jointly own all data (other than Clinical Data, the ownership of which is addressed in Section 3.7), results and inventions, whether patentable or not, conceived or reduced to practice jointly by MacroGenics (or its Affiliates or its or its Affiliates' respective consultants or subcontractors) on one hand and I-MAB (or its Affiliates or its or its Affiliates' respective consultants or subcontractors) on the other hand ("**Jointly Owned IP**"), together with all intellectual property rights therein, with each Party owning an undivided half interest and the right to exploit without the duty of accounting or seeking consent from the other Party to the extent to be permitted under Applicable Laws and Regulations.

13.2 Patent and Trademark Filing, Prosecution and Maintenance

(a) **Overall Strategy**. The JSC shall establish an overall strategy for the filing, prosecution and maintenance of MacroGenics Licensed Patents, MacroGenics Licensed Trademarks and I-MAB Licensed Patents in the Territory.

(b) Prosecution

(i) The responsibility for Patent Prosecution and Trademark Prosecution related to a Patent or Trademark that is within the MacroGenics Licensed Patents and MacroGenics Licensed Trademarks or the I-MAB Licensed Patents that is owned solely by a Party shall be the responsibility of such Party, except that (A) I-MAB shall have the right (but not the obligation), at its election and cost and expense, to file, prosecute and maintain, in the name of MacroGenics, MacroGenics Product-Specific Patents and MacroGenics Licensed Trademarks in the Territory, (B) MacroGenics shall have the right (but not the obligation), at its election and cost and expense, to file, prosecute and maintain, in the name of I-MAB, outside the Territory, I-MAB Licensed Patents that are specific to the Product (*i.e.*, do not Cover any product that is not a Product, such I-MAB Licensed Patents, the "**I-MAB Product-Specific Patents**") (within the scope of the license granted by I-MAB to MacroGenics pursuant to Section 9.2 outside the Territory). In accordance with Section 13.2(b)(v) below, MacroGenics shall be responsible for undertaking the Patent Prosecution with respect to Patents jointly owned by the Parties (the "**Jointly Owned Patents**") outside the Territory and I-MAB shall be responsible for undertaking the Patent Prosecution with respect to Jointly Owned Patents in the Territory, and each shall do as directed by the JSC.

(ii) In the event that I-MAB elects not to undertake the Patent Prosecution for the MacroGenics Product-Specific Patents in the Territory, I-MAB shall notify MacroGenics [***] before any such Patent would become abandoned or otherwise forfeited, and MacroGenics shall have the right (but not the obligation), at its sole cost and expense, to undertake the Patent Prosecution of such MacroGenics Product-Specific Patents. Thereafter, any MacroGenics Product-Specific Patents that are the subject of such opt-out notice by I-MAB shall cease to be MacroGenics Licensed Patents for all purposes under this Agreement, including for purposes of the license granted by MacroGenics to I-MAB under Section 9.1. In the event that MacroGenics elects not to undertake the Patent Prosecution for the I-MAB Product- Specific Patents outside the Territory, MacroGenics shall notify I-MAB [***] before any such Patent would become abandoned or otherwise forfeited, and I-MAB shall have the right (but not the obligation), at its sole cost and expense, to undertake the Patent Prosecution of such I-MAB Product-Specific Patents outside the Territory. Thereafter, any I-MAB Product-Specific Patents that are the subject of such opt-out notice by MacroGenics shall cease to be I-MAB Product-Specific Patents for all purposes under this Agreement, including for purposes of the license granted by I-MAB to MacroGenics under Section 9.2. With respect to Jointly Owned Patents, in the event that the prosecuting Party elects not to undertake the Patent Prosecution for the Jointly Owned Patents in the Territory (with respect to I-MAB) or outside the Territory (with respect to MacroGenics), the prosecuting Party shall notify the non-prosecuting Party [***] before any such patent rights would become abandoned or otherwise forfeited, and the previously non-prosecuting Party shall have the right (but not the obligation), to undertake the Patent Prosecution of such Jointly Owned Patents in such territory and become the prosecuting Party therefor. The right to assume Patent Prosecution of a MacroGenics Product-Specific Patent, I-MAB Product-Specific Patent or Jointly Owned Patent shall not apply in the event such a patent application would become abandoned or otherwise forfeited as a result of the prosecuting Party discontinuing Patent Prosecution of such patent application but also filing a continuation application claiming the same invention or (y) settling an opposition to obtain a license to a competing Patent.

(iii) The prosecuting Party shall keep the JSC and the other Party informed of the status of all matters affecting Patent Prosecution and Trademark Prosecution of MacroGenics Licensed Patents, MacroGenics Licensed Trademarks and Jointly Owned Patents in the Territory, and the I-MAB Product-Specific Patents and Jointly Owned Patents outside the Territory, including providing a copy of all Patent applications filed hereunder and any material correspondence from or with any governmental authorities (including the applicable patent office) to the JSC and the other Party in sufficient time to allow for review and comment by the non- prosecuting Party, and timely consulting with the non-prosecuting Party and its patent counsel on the strategy and content of submissions to such governmental authorities in advance of any submissions. Timely advice and suggestions of the non-prosecuting Party and its patent counsel shall be taken into consideration in good faith by the prosecuting Party and its patent counsel in connection with such filing. With respect to the MacroGenics Product-Specific Patents, I-MAB (if the prosecuting Party) shall pursue in good faith all reasonable claims requested by MacroGenics for the Territory.

(iv) Any dispute regarding Patent Prosecution and Trademark Prosecution of MacroGenics Licensed Patents, MacroGenics Licensed Trademarks, I-MAB Product-Specific Patents (outside the Territory only) or Jointly Owned Patents that cannot be resolved by intellectual property counsel of the Parties, shall be resolved by the JSC.

(v) Without limiting the generality of the foregoing, MacroGenics shall prosecute and maintain Jointly Owned Patents outside the Territory and I-MAB shall prosecute and maintain Jointly Owned Patents in the Territory, and each prosecuting Party shall instruct its counsel to provide copies of correspondence and filings directly to the other Party and otherwise permit the other Party to participate with the prosecuting Party in any of the activities of such counsel with respect to the Patent and Trademark Prosecution of such Jointly Owned Patents. Before taking any material step in the Patent Prosecution or Jointly Owned Patents, the prosecuting Party and its counsel shall allow the other Party a reasonable opportunity to comment on the action proposed to be taken, and agrees to incorporate in such filings all reasonable comments of the other Party. All Patent Prosecution of Jointly Owned Patents shall be in the names of both MacroGenics and I-MAB.

(vi) I-MAB rights and obligations under this Section 13.2 with respect to the MacroGenics Licensed Patents are secondary to and shall be subject to any Third Party rights and obligations under the applicable MacroGenics Third Party Agreement.

(c) **Patent Invalidations**. The JSC shall decide whether and how to undertake activities intended to invalidate pending or issued Third Party Patents in the Territory that cover the composition, use or manufacture of the Product.

13.3 Costs of Patent and Trademark Prosecution

(a) **Costs**. All out-of-pocket costs for Patent Prosecution and Trademark Prosecution of a Party's solely owned Patent or Trademark and for maintaining a Party's solely owned Patent or Trademark shall be solely incurred by and the sole responsibility of that Party. All out-of-pocket costs for Patent Prosecution of Jointly Owned Patents and for maintaining Jointly Owned Patents in the Territory shall be shared equally by the Parties. In the event I-MAB assumes the responsibility to conduct the Patent Prosecution of MacroGenics Product-Specific Patents and MacroGenics Licensed Trademarks in the Territory under Section 13.2(b)(i)(A), the costs of such activities conducted by or on behalf of I-MAB shall be borne solely by I-MAB. In the event MacroGenics assumes the responsibility to conduct the Patent Prosecution of the I-MAB Product- Specific Patents outside the Territory under Section 13.2(b)(i)(B), the costs of such activities conducted by or on behalf of MacroGenics shall be borne solely by MacroGenics.

13.4 **Patent and Trademark Prosecution Cooperation**. With respect to all Patent Prosecution and Trademark Prosecution related to pending or issued Patents and Trademarks included in MacroGenics Licensed Patents in the Territory, MacroGenics Licensed Trademarks in the Territory or I-MAB Product-Specific Patents, each Party shall:

(a) execute all further instruments to document their respective ownership consistent with this Agreement as reasonably requested by the other Party;

(b) make its employees, agents and consultants reasonably available to the other Party (or to the other Party's authorized attorneys, agents or representatives), to the extent reasonably necessary to enable the appropriate Party hereunder to undertake its Patent Prosecution and Trademark Prosecution responsibilities;

(c) cooperate, if necessary and appropriate, with the other Party in gaining Patent and Trademark term extensions; and

(d) endeavor in good faith to coordinate its efforts under this Agreement with the other Party to minimize or avoid interference with the Patent Prosecution and Trademark Prosecution of the other Party's Patents and Trademarks.

13.5 Enforcement

(a) **Notice**. Promptly, but in no event no [***], a Party after becoming aware of actual or alleged infringement in the Territory of any Patent or Trademark Controlled by the other Party and subject to a license under Sections 9.1 or 9.2, shall provide such other Party with written notice reasonably detailing such infringement.

(b) Enforcement of Intellectual Property Rights

(i) Subject to Sections 13.5(b)(ii) and 13.5(b)(iii) below, the sole owner of a Patent, Trademark, Know-How or Confidential Information shall have the exclusive right to institute and direct legal proceedings against any Third Party believed to be infringing such Patent or Trademark or misappropriating or otherwise violating such Know-How or Confidential Information, provided that any such enforcement of Patents, Trademarks, Know-How or Confidential Information owned by I-MAB that claims, covers or relates to (A) a Product (including a Combination Regimen) outside the Territory or (B) a Combination Regimen in the Territory, shall in each case be mutually agreed by I-MAB and MacroGenics.

(ii) [***] shall have the initial right (but not the obligation) to institute and direct legal proceedings against any Third Party believed to be infringing Jointly Owned Patents that claims or covers a Product sold [***]. MacroGenics agrees to discuss the foregoing in good faith with I-MAB as it pertains to the Product sold in the Territory. If [***] does not abate such violation of Jointly Owned Patents in the Territory, including by commencement of a lawsuit against the accused person if necessary, [***] after receiving notice of such infringement of Jointly Owned Patents, then [***] shall be entitled (but shall not be obligated) to take all actions reasonably necessary to abate such violation in the Territory solely with respect to the Product (excluding any Combination Regimen), including commencement of a lawsuit against the accused Third Party in the Territory if necessary.

(iii) [***] shall have the initial right (but not the obligation) to institute and direct legal proceedings against any Third Party believed to be infringing any MacroGenics Licensed Patent that claims or covers a Product sold within the Territory. If [***] does not attempt to abate such violation [***] of receipt of notice of such infringement, [***] shall be entitled (but shall not be obligated) to take all actions reasonably necessary to abate such violation, including commencement of a lawsuit against the accused Third Party if necessary. The Party that enforces a MacroGenics Licensed Patent in the Territory shall have the right to pursue such proceedings with the necessary assistance, at the pursuing Party's costs, from the non-pursuing Party.

(iv) All amounts recovered from enforcement of any such rights by either Party in the Territory relating to the intellectual property licensed under this Agreement shall be first used to reimburse each Party's costs and expenses incurred in connection with such action ("**Cost Reimbursement Amounts**"). For amounts, other than Cost Reimbursement Amounts, recovered as lost profits by I-MAB for the enforcement of MacroGenics Licensed Patents, I-MAB shall pay MacroGenics any amounts that would have been due under this Agreement if the Net Sales that correspond to such lost profits were actually made by I-MAB. All amounts, other than Cost Reimbursement Amounts, recovered from enforcement by MacroGenics of MacroGenics Licensed Patents (whether inside or outside the Territory) and enforcement of jointly owned Patents outside the Territory shall be retained by MacroGenics.

(c) **Cooperation in Enforcement Proceedings**. For any action by a Party pursuant to subsection (b) above, in the event that such Party is unable to initiate or prosecute such action solely in its own name, the other Party shall join such action voluntarily and shall execute all documents necessary for such Party to initiate, prosecute and maintain such action. If either I- MAB or MacroGenics initiates an enforcement action pursuant to Section 13.5(b), then the other Party shall cooperate to the extent reasonably necessary and at the first Party's sole expense (except for the expenses of the non-controlling Party's counsel, if any). Upon the reasonable request of the Party instituting any such action, such other Party shall join the suit and can be represented in any such legal proceedings using counsel of its own choice. Each Party shall assert and not waive the joint defense privilege with respect to all communications between the Parties reasonably the subject thereof.

(d) **Status; Settlement**. The Parties shall keep each other informed of the status of and of their respective activities regarding any enforcement action pursuant to Section 13.5(b). Neither Party shall settle any litigation or legal proceeding in the Territory to enforce MacroGenics Licensed Patents against a Third Party selling a Product that [***] or MacroGenics Licensed Trademarks without the other Party's written authorization. I-MAB will not enter into any settlement of any action described in this Section 13.5 that admits to the invalidity, unpatentability, narrowing of scope or unenforceability of the MacroGenics Licensed Patents or the Jointly Owned Patents in any manner, incurs any financial liability on the part of MacroGenics or requires an admission of liability, wrongdoing or fault on the part of MacroGenics, in each case without MacroGenics' prior written consent.

13.6 Defense

(a) **Notice of Allegations**. Each Party shall notify the other in writing of any allegations it receives from a Third Party that the manufacture, production, use, development, sale, offer for sale, import or distribution of any Product or the practice of any MacroGenics Licensed Technology or I-MAB Licensed Patents or I-MAB Licensed Know-How licensed by a Party under this Agreement infringes the intellectual property rights of such Third Party in the Territory. Such notice shall be provided promptly, but in no event [***], following receipt of such allegations.

(b) **Notice of Suit**. In the event that a Party receives notice that it or any of its Affiliates have been individually or collectively named as a defendant (or defendants) in a legal proceeding by a Third Party alleging infringement of a Third Party's Patents issued in the Territory as a result of the manufacture, production, use, development, sale or distribution of the Product or any MacroGenics Licensed Technology or I-MAB Licensed Patents or I-MAB Licensed Know-How licensed by a Party under this Agreement, such Party shall immediately notify the other Party in writing and in no event notify such other Party later than [***] after the receipt of such notice. Such written notice shall include a copy of any summons or complaint (or the equivalent thereof) received regarding the foregoing. Each Party shall assert and not waive the joint defense privilege with respect to all communications between the Parties reasonably the subject thereof. In such event, the Parties shall agree how best to mitigate or control the defense of any such legal proceeding; provided however, that if either Party or any of its Affiliates have been individually named as a defendant in a legal proceeding relating to the alleged infringement of a Third Party's issued Patents in the Territory as a result of the manufacture, production, use, development, sale or distribution of the Product, the other Party shall be allowed to join in such action, at its own expense.

(c) **Status; Settlement**. The Parties shall keep each other informed of the status of and of their respective activities regarding any litigation or settlement thereof initiated by a Third Party in the Territory concerning a Party's manufacture, production, use, development, sale or distribution of the Product in the Territory or MacroGenics Licensed Technology or I-MAB Licensed Patents or I-MAB Licensed Know-How licensed by a Party under this Agreement; provided, however, that no settlement or consent judgment or other voluntary final disposition of a suit under this Section 13.6(c) may be undertaken by a Party without the consent of the other Party which consent shall not be unreasonably withheld, conditioned or delayed.

14. DISPUTE RESOLUTION

14.1 **Exclusive Dispute Resolution Mechanism**. The Parties agree that the procedures set forth in this Section 14 shall be the exclusive mechanism for resolving any Dispute between the Parties that may arise from time to time pursuant to this Agreement relating to either Party's rights or obligations hereunder that is not resolved through good faith negotiation between the Parties. For the avoidance of doubt, this Section 14 shall not apply to any decision with respect to which a Party has final decision-making authority hereunder. Any Dispute, including Disputes that may involve the parent company, subsidiaries, or Affiliates under common control of any Party, shall be resolved in accordance with this Section 14.

14.2 **Resolution by Executive Officers.** Except as otherwise provided in this Section 14, in the event of any Dispute regarding the construction or interpretation of this Agreement or the rights, duties or liabilities of either Party hereunder, the Parties shall first attempt in good faith to resolve such Dispute by negotiation and consultation between themselves. In the event that such Dispute is not resolved on such basis [***] (unless otherwise agreed by the Parties) after being submitted to the JSC, either Party may, by written notice to the other Party, refer the Dispute to the Executive Officer of each Party for attempted resolution by good faith negotiation [***] after such notice is received (unless otherwise agreed by the Parties). Each Party may, in its discretion, seek resolution of any and all Disputes that are not resolved under this Section 14.2 in accordance with Section 14.3.

14.3 **Arbitration**. If the Parties fail to resolve the Dispute pursuant to Section 14.2, and a Party desires to pursue resolution of the Dispute, the Dispute shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre ("**SIAC**") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force, which rules are deemed incorporated by reference in this clause. The seat of the arbitration shall be in Singapore, and the arbitration tribunal shall consist of three arbitrators, of whom each Party shall designate one in accordance with the appointment procedures provided in the SIAC Rules and the chairs shall be selected by the tribunal in accordance the SIAC Rules. The language of the arbitration shall be English.

14.4 **Costs of Dispute Resolution**. Each Party shall be solely responsible for the costs it incurs to resolve a Dispute except for the costs of engaging arbitrators which shall be shared equally by the Parties.

15. TERMS AND TERMINATION

15.1 **Term.** Unless earlier terminated, this Agreement shall continue in effect until the expiration of the Royalty Term as defined in Section 1.128 ("**Term**"), and thereafter I-MAB has no remaining payment obligations with respect to the Product pursuant to Section 7.3 above and MacroGenics shall have no further obligations hereunder.

15.2 **Termination for Challenge to Patent Validity**. MacroGenics may terminate this Agreement immediately upon written notice to I-MAB in the event I-MAB or any of its Affiliates:

(a) directly or indirectly oppose, or assist any Third Party to oppose, in any patent office proceeding, the grant of any patent or patent application within the MacroGenics Licensed Patents, or, in any patent office proceeding, dispute or directly or indirectly assist any Third Party to dispute, the validity of any patent within the MacroGenics Licensed Patents or any of the claims thereof, including opposing any application for amendment thereto;

(b) directly or indirectly oppose, or assist any Third Party to oppose, in any court proceeding, the grant of any patent or patent application within the MacroGenics Licensed Patents, or, in any court proceeding, dispute or directly or indirectly assist any Third Party to dispute, the validity of any patent within the MacroGenics Licensed Patents or any of the claims thereof; or

(c) bring any claim or proceedings of whatever nature in relation to the MacroGenics Licensed Patents against MacroGenics or any of MacroGenics' Affiliates (or in respect of the foregoing their directors and officers) in respect of any activities carried out by them under any MacroGenics Licensed Patents which may be the subject of a Valid Claim of the MacroGenics Licensed Patents.

15.3 **Termination for Cause**. This Agreement may be terminated as a whole, or in part, at any time during the Term upon written notice by either Party if the other Party is in material breach of its obligations under this Agreement and, in each case, has not cured such breach within [***] after notice requesting cure of the breach (other than for non-payment which shall be cured within [***]).

15.4 **Termination for Convenience**. At any time after the [***], I-MAB may terminate this Agreement in its entirety for any or no reason upon [***] written notice to MacroGenics.

15.5 **Termination for Safety or End of Global Development.** This Agreement may be terminated in its entirety or on a Product-by-Product or region-by-region basis by either Party upon [***] written notice to the other Party if it reasonably determines in good faith that there is a Major Safety Issue with respect to a Product.

15.6 **Termination for Force Majeure**. This Agreement may be terminated at any time during the Term upon written notice by either Party in accordance with Section 16.1.

15.7 Effect of Termination.

(a) If MacroGenics terminates this Agreement pursuant to Sections 15.2, 15.3 (for cause based on material breach by I-MAB) or 15.5 or if I-MAB terminates this Agreement pursuant to Section 15.4:

(i) I-MAB shall pay any amounts due pursuant to Section 3.5 and Section 7 prior to the date of termination;

(ii) For the avoidance of doubt, the licenses and sublicenses granted to I-MAB under Sections 9.1(a) and 9.3 and any agreement entered into between the Parties with respect to I-MAB's Manufacture of the Product for or in the Territory shall terminate;

(iii) The license granted to MacroGenics under Section 9.2 shall survive and shall automatically, without any action on the part of either Party, expand to become exclusive and worldwide;

(iv) I-MAB shall return to MacroGenics or its designee all Product and all MGA012 within its possession or control and arrange for the I-MAB Sublicensees to return to MacroGenics or its designee all Product and MGA012 within such I-MAB Sublicensees' possession or control;

(v) I-MAB shall cease to Develop and Commercialize the Product, including immediately stopping enrollment of subjects (unless otherwise directed in writing by MacroGenics) into any Clinical Trial being conducted by the Parties and at MacroGenics' sole election either wind-down (including to cease administering the Product to Clinical Trial subjects and conducting Clinical Trial procedures on Clinical Trial subjects, to the extent medically advisable) or transition to MacroGenics (or its designee) any Clinical Trial then be conducted by I-MAB, but in all cases in a timely manner and in accordance with all Applicable Laws and Regulations;

(vi) I-MAB shall cease all marketing and promotion of MGA012 as a component of a Combination Regimen;

(vii) for the Product, to the extent not already owned and possessed by MacroGenics, I-MAB shall assign and promptly transfer to MacroGenics, at no expense to MacroGenics, all of I-MAB 's right, title and interest, if any, in and to (A) all Regulatory Submissions (such as Regulatory Approvals, INDs, BLAs, NDAs, and drug master files) and CTAs (to the extent assignable and not cancelled) for the Product, to the extent that MacroGenics elects to continue development of the Product; (B) all data, including clinical data, materials and information of any kind or nature whatsoever, in I-MAB's possession or in the possession of its Affiliates or its or their respective agents related to the Product; (C) all trademarks related to the Product (if such termination occurs after approval of such trademark by a Regulatory Authority); and (D) all material information, and any other information reasonably requested and required by MacroGenics, relating to the manufacture of the Product;

(viii) all sublicenses under the rights granted pursuant to Section 9.1(b) shall terminate, unless converted to a direct license at MacroGenics' sole option under Section 9.1(b); and

(ix) MacroGenics shall revoke (and I-MAB shall allow revocation of) any powers of attorney for any MacroGenics Licensed Patents that I-MAB holds as of the time of such termination; and

(b) If I-MAB terminates this Agreement pursuant to Sections 15.3 (for cause based on material breach by MacroGenics) or 15.5:

(i) The provisions of Section 15.7(a) (other than Section 15.7(a)(iii)) shall apply;

(ii) I-MAB shall revoke (and MacroGenics shall allow revocation of) any powers of attorney for any I-MAB Licensed Patents that MacroGenics holds as of the time of such termination; and

With respect to the license granted to MacroGenics under Section 9.2, (A) if termination is by I-MAB pursuant to Section 15.3, then such license shall terminate in its entirety or (B) if termination is by I-MAB pursuant to Section 15.5, then such license shall terminate only with respect to the Territory and shall otherwise survive outside the Territory.

(c) **Return of Confidential Information**. Upon expiration or termination of this Agreement, the Parties shall comply with Section 10.1(e).

15.8 **Survival**. The following provisions shall survive the termination or expiration of this Agreement for any reason: Sections 1, 3.7, 3.8, 3.9, 4.4, 5.4 (with respect to information reasonably requested by MacroGenics to fulfill its obligations to its Third Party licensors related to activities pursuant to this Agreement after termination hereof) 6, 7, 8, 9.2, 9.4, 10, 11, 12, 13, 14, 15.7, 15.8 and 16.

16. MISCELLANEOUS

16.1 **Force Majeure**. Neither Party shall be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement to the extent such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party including embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, fire, floods, or other acts of God, or acts, omissions or delays in acting by any governmental authority or the other Party ("**Force Majeure**"). The affected Party shall notify the other Party of such force majeure circumstances as soon as reasonably practical, and shall promptly undertake all reasonable efforts necessary to cure such force majeure circumstances. In the event a Party is unable to perform its obligations under this Agreement due to Force Majeure for a period of [***], the other Party shall have the option of unilaterally terminating this Agreement upon providing [***] written notice.

16.2 **Section 365(n) of the Bankruptcy Code.** All rights and licenses granted under or pursuant to any Section of this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the U.S. Bankruptcy Code. The Parties shall retain and may fully exercise all of their respective rights and elections under the U.S. Bankruptcy Code. The Parties agree that a Party that is a licensee of such rights under this Agreement shall retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code, and that upon commencement of a bankruptcy proceeding by or against the licensing Party (such Party, the "**Involved Party**") under the U.S. Bankruptcy Code, the other Party (such Party, the "**Noninvolved Party**") shall be entitled to a complete duplicate of or complete access to (as such Noninvolved Party deems appropriate), any such intellectual property and all embodiments of such intellectual property, provided the Noninvolved Party continues to fulfill its payment or royalty obligations as specified herein in full. Such intellectual property and all embodiments thereof shall be promptly delivered to the Noninvolved Party (a) upon any such commencement of a bankruptcy proceeding upon written request therefor by the Noninvolved Party, unless the Involved Party elects to continue to perform all of its obligations under this Agreement or (b) if not delivered under (a) above, upon the rejection of this Agreement by or on behalf of the Involved Party upon written request therefor by Noninvolved Party. The foregoing is without prejudice to any rights the Noninvolved Party may have arising under the U.S. Bankruptcy Code or other Applicable Laws and Regulations.

16.3 **Assignment**. Neither Party may assign its rights and obligations under this Agreement without the prior written consent of the other Party, provided that either Party may assign its rights and obligations under this Agreement, without such consent from the other Party, to any successor in interest in connection with the sale of all or substantially all of the assets of the assigning Party or a merger, acquisition or other similar transaction that involves the sale of the assigning Party's entire business. In addition, MacroGenics may assign this Agreement without the prior written consent of I-MAB to any MacroGenics Affiliate or any successor in interest in connection with the sale of substantially all of MacroGenics' business related to a Product. Except in the specific circumstances set forth in this Section 16.3, any assignment undertaken by an assigning Party without the prior written consent of the other Party in violation of this Section 16.3 shall be void. For the avoidance of doubt, the terms and conditions of this Agreement shall be binding on the permitted successors and assignees of each Party.

16.4 **Severability**. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

16.5 **Notices**. All notices which are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by facsimile (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to MacroGenics, to:	[***] Attention: [***] Facsimile: [***]
with copy to: (which shall not constitute notice)	[***] Attention: [***]
if to I-MAB, to:	I-MAB Biopharma, Inc. [***] China Attn: [***] E-Mail: [***]
with copy to:	Venture Partner, LLC [***] Attn: [***] E-Mail: [***]

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice shall be deemed to have been given upon receipt.

16.6 **Applicable Law**. All questions of inventorship shall be determined in accordance with U.S. patent laws. In respect to all other Patent issues related to the enforceability or validity of a Patent, the laws of the jurisdiction in which the applicable Patent is filed or granted shall govern. Except as otherwise indicated, in all other respects, the right and obligations of the Parties under this Agreement shall be governed by and construed in accordance with the laws of the State of New York, United States.

16.7 **Entire Agreement; Amendments.** The Agreement contains the entire understanding of the Parties with respect to the subject matter hereof, including the Collaboration and licenses granted hereunder. All express or implied agreements and understandings, either oral or written, with regard to the subject matter hereof, including the Collaboration and the licenses granted hereunder, are superseded by the terms of this Agreement, including the Existing CDA. The Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representatives of both Parties hereto. The "**Existing CDA**" means that certain Confidentiality Agreement between the Parties [***]. Any confidential information disclosed by the Parties pursuant to the Existing CDA shall be deemed to constitute Confidential Information under this Agreement.

16.8 **Headings.** The captions to the several Sections hereof are not a part of the Agreement, but are merely for convenience to assist in locating and reading the several Sections and Sections of this Agreement.

16.9 **Independent Contractors**. It is expressly agreed that MacroGenics and I-MAB shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither MacroGenics nor I-MAB shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior written consent of the other Party.

16.10 **Waiver**. The waiver by either Party of any right hereunder, or the failure of the other Party to perform, or a breach by the other Party, shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise.

16.11 **Cumulative Remedies**. No remedy referred to in this Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law.

16.12 **Waiver of Rule of Construction**. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting Party shall not apply.

16.13 **Counterparts**. The Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16.14 **Further Assurances**. Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes, or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

16.15 **Construction**. Any reference in this Agreement to an Article, Section, subsection, paragraph, clause or Schedule shall be deemed to be a reference to any Article, Section, subsection, paragraph, clause or Schedule, of or to, as the case may be, this Agreement. The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. Except where the context otherwise requires, (a) any definition of or reference to any agreement, instrument or other document refers to such agreement, instrument other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), (b) any reference to any Applicable Law refers to such Applicable Law including all rules and regulations thereunder and any successor Applicable Law, in each case as from time to time enacted, repealed or amended, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, refer to this Agreement in its entirety and not to any particular provision hereof, (d) the words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “but not limited to,” “without limitation” or words of similar import, (e) the word “or” is used in the inclusive sense (and/or), (f) words in the singular or plural form include the plural and singular form, respectively, (g) references to any gender refer to each other gender, (h) references to a particular Person include such Person’s successors and assigns to the extent not prohibited by this Agreement, and (i) a capitalized term not defined herein but reflecting a different part of speech than a capitalized term which is defined herein shall be interpreted in a correlative manner.

[*Signature Page Follows.*]

The Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

I-MAB Biopharma, US Limited
/s/ I-MAB Biopharma, US Limited

MacroGenics, Inc.
/s/ MacroGenics, Inc.

Exhibit A

MacroGenics Licensed Patents

[***]

Exhibit B

MacroGenics Licensed Trademarks

[***]

Exhibit C

Global Development Plan

[***]

Exhibit D

Territory Specific Development Plan

[***]

Exhibit E

MacroGenics-Provided Information

MacroGenics will use Commercially Reasonable Efforts to provide the items required by the applicable Regulatory Authority to conduct the Territory Specific Development Plan, which may include the items listed below. Such items will be provided as soon as reasonably practicable based on a format and timetable to be mutually agreed upon by the Joint Steering Committee.

[***]

Exhibit F

SAFETY MANAGEMENT PLAN COMPONENTS

[***]

Exhibit G

Product Royalty Rates

Aggregate Net Sales threshold of the Product in the Territory:	Then the Product Royalty Rate Percentage shall be (%):
On that portion of aggregate Net Sales in a Calendar Year less than [***]	[***]
On the portion of Net Sales in a Calendar Year equal to or greater than [***] but less than [***]	[***]
On that portion of Net Sales in a Calendar Year greater than [***]	[***]

For purposes of determining when the Calendar Year Net Sales thresholds as set forth above have been met, Calendar Quarter Net Sales shall be converted from local currency in the Region or Country in the Territory into U.S. Dollars using the exchange rate set forth in Section 7.8 when calculating the amount of payment of royalties due and the converted Calendar Quarter Net Sales amounts for the four Calendar Quarters in a Calendar Year will be used to determine whether the annual Net Sales thresholds have been met.

Exhibit H

Form of Press Release

MacroGenics and I-Mab Announce Exclusive Collaboration and License Agreement to Develop and Commercialize Enoblituzumab in Greater China

ROCKVILLE, MD, and SHANGHAI, China, July 9, 2019 (GLOBE NEWSWIRE) – MacroGenics, Inc. (NASDAQ:

MGNX), a clinical-stage biopharmaceutical company focused on discovering and developing innovative monoclonal antibody-based therapeutics for the treatment of cancer, and I-Mab Biopharma (I-Mab), a China and U.S.-based clinical-stage biopharmaceutical company committed to the discovery and development of first-in-class and best-in-class biologics in immuno-oncology and autoimmune diseases, announced today that the companies have entered into an exclusive collaboration and license agreement to develop and commercialize enoblituzumab. This investigational drug is an immune-optimized, anti-B7-H3 monoclonal antibody that incorporates MacroGenics' proprietary Fc Optimization technology platform. Enoblituzumab represents one of the most advanced programs in development directed against B7-H3, a target for which no agent is currently approved. I-Mab obtains regional development and commercialization rights in mainland China, Hong Kong, Macau and Taiwan.

As part of the collaboration, I-Mab will both lead regional studies in its territories as well as participate in global studies conducted by MacroGenics. MacroGenics intends to initiate a Phase 2 study of enoblituzumab in combination with MGA012 (also known as INCMGA0012), an investigational anti-PD-1 antibody that MacroGenics licensed to Incyte Corporation, in first-line patients with head and neck cancer later this year.

"We are very pleased to be partnering with I-Mab to further accelerate and broaden the development of enoblituzumab and to support our mission of bringing innovative medicines to patients with high unmet medical needs," said Scott Koenig, M.D., Ph.D., President and Chief Executive Officer of MacroGenics. "We believe that I-Mab is an ideal partner given its track record of rapidly progressing innovative immuno-oncology programs and its ability to tap into the growing pharmaceutical market in this region."

"MacroGenics is recognized as a leader in the development of therapeutics targeting B7-H3 and we are committed to accelerating the development of enoblituzumab, a promising investigational drug which may represent a new treatment paradigm in immuno-oncology," said Jingwu Zang, M.D., Ph.D., Chief Executive Officer of I-Mab. "We believe that this program is an exciting addition to our innovative pipeline of clinical stage oncology assets."

MacroGenics expects to receive an upfront payment of $15 million in connection with the collaboration. MacroGenics will also be eligible to receive additional development and regulatory milestone payments of up to $135 million. In addition, I-Mab will pay tiered double-digit royalties (ranging from mid teens to twenty percent) based on annual net sales in its territories.

About Enoblituzumab Program

Enoblituzumab is an investigational Fc-optimized monoclonal antibody that targets B7-H3, a member of the B7 family of immune regulator proteins. B7-H3 is widely expressed by a number of different tumor types and may play a key role in regulating the immune response to various types of cancer.

Encouraging data from the Phase 1 clinical study of enoblituzumab in combination with an anti-PD-1 antibody were presented at the Society for Immunotherapy of Cancer (SITC) Annual Meeting in November 2018. Based on these data, MacroGenics is planning to initiate a Phase 2 study of enoblituzumab in combination with MGA012 in patients with squamous cell carcinoma of the head and neck (SCCHN) in the second half of 2019.

About MacroGenics' Fc-Optimization Technology

MacroGenics' Fc-Optimization platform is designed to modulate an antibody's interaction with immune effector cells. The Fc region of certain antibodies binds activating and inhibitory receptors, referred to as FcgRs, on immune cells found within the innate immune system. Such interactions affect killing of cancer cells through antibody dependent cellular cytotoxicity (ADCC), among other Fc-dependent functions.

MacroGenics' optimized Fc region binds with increased affinity to the activating CD16A FcgR and unique to MacroGenics' technology, with reduced affinity to CD32B, the inhibitory FcgR. MacroGenics' optimized Fc mediates improved effector functions, such as ADCC. To date, MacroGenics has successfully incorporated its proprietary Fc Optimization technology in enoblituzumab, as well as margetuximab, an investigational anti-HER2 monoclonal antibody currently in Phase 3 development.

About MacroGenics, Inc.

MacroGenics is a clinical-stage biopharmaceutical company focused on discovering and developing innovative monoclonal antibody-based therapeutics for the treatment of cancer. The Company generates its pipeline of product candidates primarily from its proprietary suite of next-generation antibody-based technology platforms, which have applicability across broad therapeutic domains. For more information, please see the Company's website at www.macrogenics.com. MacroGenics and the MacroGenics logo are trademarks or registered trademarks of MacroGenics, Inc.

About I-Mab Biopharma

I-Mab is a dynamic and fast-growing global biotech company focusing on developing innovative biologics of first-in-class and best-in-class potential in the therapeutic areas of immuno-oncology and autoimmune diseases. I-Mab's pipeline of clinical and pre-clinical stage assets is driven by the company's Fast-to-Market and Fast-to-PoC development strategies through internal R&D capabilities and global partnerships. I-Mab's vision is to address unmet needs through drug innovation in the target therapeutic areas in China and the world. I-Mab is on track to become an end-to-end fully integrated biopharma company. The company is well-recognized by capital markets to have successfully raised approximately $370 million USD in the past three years, with the recent $220 million USD Series C financing representing one of the largest amounts ever raised by an innovative biotech company in China. For more information, please see the company's website at www.i-mabbiopharma.com.

MacroGenics' Cautionary Note on Forward-Looking Statements

Any statements in this press release about future expectations, plans and prospects for MacroGenics, including statements about the company's strategy, future operations, clinical development of the company's therapeutic candidates, milestone or opt-in payments from the company's collaborators, the company's anticipated milestones and future expectations and plans and prospects for the company and other statements containing the words "subject to", "believe", "anticipate", "plan", "expect", "intend", "estimate", "project", "may", "will", "should", "would", "could", "can", the negatives thereof, variations thereon and similar expressions, or by discussions of strategy constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: the uncertainties inherent in the initiation and enrollment of future clinical trials, expectations of expanding ongoing clinical trials, availability and timing of data from ongoing clinical trials, expectations for regulatory approvals, other matters that could affect the availability or commercial potential of MacroGenics' product candidates and other risks described in the company's filings with the Securities and Exchange Commission. In addition, the forward-looking statements included in this press release represent MacroGenics' views only as of the date hereof. MacroGenics anticipates that subsequent events and developments will cause the company's views to change. However, while the company may elect to update these forward-looking statements at some point in the future, the company specifically disclaims any obligation to do so, except as may be required by law. These forward-looking statements should not be relied upon as representing MacroGenics' views as of any date subsequent to the date hereof.

MacroGenics Contacts:
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Exhibit 10.18

COLLABORATION AGREEMENT

between

ABL Bio

and

I-Mab

Dated July 26, 2018

This Collaboration Agreement ("**Agreement**") is made and entered into as of the date first written above (the "**Effective Date**") by and between ABL Bio having a business address at ***, Republic of Korea ("**ABL Bio**") and I-Mab, having a business address at *** ("**I-Mab** "). For purposes of this Agreement, ABL Bio and I-Mab are each referred to individually as a "**Party**" and together the "**Parties**."

WHEREAS, ABL Bio has developed expertise in the area of bi-specific antibodies for cancer treatment and has developed proprietary intellectual property around the technology for BsAb (the "**BsAb Technology**" as further defined herein).

WHEREAS, I-Mab has developed three antibodies that it desires to incorporate into a bi-specific antibody using such BsAb Technology and has expertise in developing biologics.

WHEREAS, ABL Bio and I-Mab agreed to collaborate to enable the development and commercialization of PD-L1/4-1BB, PD-L1/TIGIT and PD-L1/B7H3 BsAbs (each as defined herein);

WHEREAS, ABL Bio and I-Mab entered into five Materials Transfer Agreements for the transfer of certain DNA and protein sequences of applicable antibodies from I-Mab to ABL Bio (the "**Materials Transfer Agreement**").

NOW, THEREFORE, I-Mab and ABL Bio agree in this Collaboration Agreement ("**Agreement**") as follows:

1. Definitions

1.1 "**Affiliates**" shall mean with respect to a Party, an entity that directly or indirectly through one (1) or more intermediaries, controls, is controlled by or is under common control with such Party. In this definition, "control" means: (a) in the case of corporate entities, direct or indirect ownership of at least fifty percent (50%) of the stock or shares having the right to vote for the election of directors; and (b) in the case of non-corporate entities, direct or indirect ownership of at least fifty percent (50%) of the equity interest with the power to direct the management and policies of such entities.

1.2 "**ABL Bio Parental Antibody**" shall mean the monoclonal antibody against 4-1BB and B7H3, controlled by ABL Bio as described in Appendix 1.

1.3 "**ABL Bio Parental Antibody Patent Rights**" shall mean any and all Patent Rights Controlled by ABL Bio during the Term that claim or cover the composition, use or manufacture of the Parental Antibodies. Such Patent Rights are listed in Appendix 1, as may be updated from time to time.

1.4 "**Business Day**" shall mean any day (other than Saturday or Sunday) when banks are open for business in both China and the Republic of Korea.

1.5 "**BsAb**" shall mean a bi-specific antibody molecule constructed by the combination of two Parental Antibodies using BsAb Technology, wherein one of the Parental Antibodies is PD-L1, and the other is TIGIT, 4-1BB or B7H3.

1.6 "**BsAb Improvements**" shall mean any and all improvements to the BsAb, whether patentable or not, that have been identified, discovered or made by or on behalf of either Party or its Affiliates during the Term. For avoidance of doubt, any and all improvements to BsAb Technology, ABL Bio Parental Antibody and I-Mab Parental Antibody that are specifically designed for BsAb should be deemed BsAb Improvements.

1.7 "**BsAb Technology**" shall mean the Know-How Controlled by ABL Bio during the Term that is reasonably necessary or useful for the practice of the bispecific antibody platform technology, which can cause one antibody to bind two different targeted antigens as described in Appendix 1.

1.8 "**BsAb Technology Improvement(s)**" shall mean any and all data, results and other Know-How, inventions and developments that constitute improvements to the BsAb Technology, whether patentable or not, that have been identified, discovered or made by or on behalf of either Party or its Affiliates during the Term and are not specifically designed for BsAb. For the avoidance of doubt, Know-How and Patent Rights pertaining solely to the BsAb Technology itself (but not to Parental Antibody Technology) shall be deemed as BsAb Technology Improvement, and any and all improvements to the BsAb Technology that are specifically designed for BsAb should be deemed BsAb.

1.9 "**Ca**" shall mean the percentage value of costs sharing ascribed to ABL Bio in Appendix 5.

1.10 "**Ci**" shall mean the percentage value of cost sharing ascribed to I-Mab in Appendix 5.

1.11 "**Clinical Development**" shall mean the Research and Development after the fulfilment of Decision Point II.

1.12 "**Clinical Development Plan**" shall mean, subject to Section 3, a plan for the Clinical Development activities to be performed by either Party under this Agreement that may be amended from time to time according to Section 6.

1.13 "**Clinical Development Report**" shall mean, subject to Section 3, the report provided by a Party to the other Party summarizing the Clinical Development activities it has performed during the past calendar quarter.

1.14 "**Clinical Study Completed**" shall mean upon the completion of submission and acceptance of a clinical study report (CSR) concerning the applicable clinical study phase.

1.15 "**Confidential Information**" shall mean all information and data, of a confidential or proprietary nature, which is obtained directly or indirectly by one Party (the "**Receiving Party**") or its Affiliates, from the other Party (the "**Disclosing Party**") or its Affiliates at any time before, on, or after the Effective Date, without regard to the form or manner in which such information is disclosed or obtained (including information disclosed orally or in documentary or electronic form or by way of model, or obtained by observation). The existence and terms of this Agreement are Confidential Information of both Parties. BsAb Technology, BsAb Technology Improvements, ABL Bio Parental Antibody Technology and ABL Bio Parental Antibody Improvements are the Confidential Information of ABL Bio, and ABL Bio is deemed as the Disclosing Party with respect to all BsAb Technology, BsAb Technology Improvements, ABL Bio Parental Antibody Technology and ABL Bio Parental Antibody Improvements. I-Mab Parental Antibody Technology and I-Mab Parental Antibody Improvements are the Confidential Information of I-Mab and I-Mab is deemed as the Disclosing Party with respect to all I-Mab Parental Antibody Technology and I-Mab Parental Antibody Improvements. BsAb Improvements are the Confidential Information of ABL Bio and I-Mab, and ABL Bio and I-Mab are deemed as the Disclosing Party with respect to all BsAb Improvements.

1.16 "**Commercially Reasonable Efforts**" shall mean the efforts, time, costs and resources invested that are comparable with the efforts, time, costs and resources a similarly situated pharmaceutical company would normally invest into a proprietary development candidate or pharmaceutical product of comparable nature, value and development stage.

1.17 "**Control"** or **"Controlled**" shall mean, with respect to an item or right, the possession, whether by ownership or license (in each case other than pursuant to this Agreement), by a Party of the item or right, or the ability of a Party to grant to the other Party access to or a license to or under each such item or right as provided in this Agreement without violating any agreement or other arrangement with any Third Party.

1.18 "**CRO**" or "**CMO**" shall mean a company or other business entity providing contract research services by performing research based on orders by customers.

1.19 "**Debar**", "**Debarred**" or "**Debarment**" shall mean (a) being debarred, or being subject to a pending debarment, pursuant to section 306 of the FDCA, 21 U.S.C. § 335a or similar laws outside the United States, (b) being listed by any federal and/or state agencies, excluded, debarred, suspended or otherwise made ineligible to participate in federal or state healthcare programs or federal procurement or non-procurement programs (as that term is defined in 42 U.S.C. 1320a-7b(f) or similar laws outside the United States), or being subject to any pending process by which any such listing, exclusion, debarment, suspension or other ineligibility could occur, (c) being disqualified by any government or regulatory agency from performing specific services, or being subject to a pending disqualification proceeding, or (d) being convicted of a criminal offense related to the provision of healthcare items or services or being subject to any pending criminal action related to the provision of healthcare items or services.

1.20 "**Decision Point**" shall mean any of Decision Point I, Decision Point II, Decision Point III and Decision Point IV.

1.21 "**Decision Point I**" shall mean immediately after the completion of final candidate selection via in vivo efficacy test according to study protocols approved by the JC.

1.22 "**Decision Point II**" shall mean immediately after the submission of IND Application for Phase I Clinical Study to the Food and Drug Administration in the U.S.

1.23 "**Decision Point III**" shall mean immediately after Phase I Clinical Study Completed in the U.S.

1.24 "**Decision Point IV**" shall mean immediately after Phase II Clinical Study Completed in the U.S.

1.25 "**Disclosing Party**" shall have the meaning as described in Section 1.15.

1.26 "**Early Development**" shall mean the Research and Development prior to fulfilment of Decision Point I.

1.27 **"Early Development Plan**" shall mean a plan for the Early Development activities to be performed by I-Mab and ABL Bio under this Agreement as attached to this Agreement as Appendix 3 that may be amended by approval of the JC.

1.28 "**Early Development Report**" shall mean the report provided by a Party to the other Party summarizing the Early Development activities it has performed during the past calendar quarter.

1.29 "**I-Mab Parental Antibody**" shall mean the monoclonal antibodies against PD-L1 and TIGIT, respectively, controlled by I-Mab as described in Appendix 2.

1.30 "**I-Mab Parental Antibody Patent Rights**" shall mean any and all Patent Rights Controlled by I-Mab during the Term that claim or cover the composition, use or manufacture of the Parental Antibodies. Such Patent Rights are listed in Appendix 2, as may be updated from time to time.

1.31 "**Investigation New Drug"** or **"IND"** shall mean a drug that has not been approved for general use by the U.S. Food and Drug Administration or similar authority in the jurisdiction but is under investigation in clinical trials regarding its safety and effectiveness by clinical investigators and practicing physicians using patients.

1.32 "**IND Application**" shall mean an application for approval of a request for authorization by the U.S. Food and Drug Administration or similar authority in the jurisdiction to administer an IND to humans.

1.33 "**Joint Committee**" or "**JC**" shall have the meaning ascribed in Section 6.1.

1.34 "**Know-How**" shall mean all biological materials and other tangible materials, inventions, practices, methods, protocols, formulations, knowledge, information, know-how, trade secrets, processes, assays, skills, experience, techniques and results of experimentation and testing, which shall include without limitation all biological, chemical, pharmacological, toxicological, clinical, assay, control and manufacturing data, ideas, concepts, drawings, methods of use or application and any other information, whether patentable or not.

1.35 "**Late Development**" shall mean the Research and Development activities after the fulfilment of Decision Point I prior to the fulfilment of Decision Point II.

1.36 "**Late Development Plan**" shall mean, subject to Section 3, a plan for the Late Development activities to be performed by either Party under this Agreement as attached to this Agreement as Appendix 4 that may be amended from time to time according to Section 6.

1.37 "**Late Development Report**" shall mean, subject to Section 3, the report provided by a Party to the other Party summarizing the Late Development activities it has performed during the past calendar quarter.

1.38 "**Laws**" shall mean all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of any governmental authority, including without limitation patent offices and any other local or national agency, authority court, tribunal, arbitrator, commission, inspectorate, official or other instrumentality of a government with application within a country.

1.39 "**Net Receipts**" shall mean (a) all payments the Parties received from their respective Out-Licensee under the Out-License Agreement, which shall include but not be limited to upfront payments, technology access fees, milestone payments, financial development funding, commissions, royalties, success payments as well as acquisition prices allocated to the Products, less (b) any portion of such amounts paid or payable by the Parties to their respective Out-Licensee under the Out-License Agreement that are reasonably allocable to the development, commercialization or manufacture of the Products in or for such portion of licensed territory thereunder and (c) taxes and other governmental charges occurred in connection with the Out-License Agreement.

1.40 "**Net Sales**" shall mean the aggregated gross amounts invoiced by the Parties or their respective Affiliates in respect of the gross sales of all Products under this Agreement by the Parties or their respective Affiliates to Third Parties at an arm's length open market price less deductions actually allowed in relation to or specifically allocated to the Products using generally accepted accounting standards for:

1.40.1 Ordinary and customary quantity, trade and/or cash discounts actually granted and logistics service provider fees paid and payable;

1.40.2 Amounts repaid or credited and allowances including cash or credit, given by reason of retroactive price reductions, or billing errors or rebates actually allowed or paid;

1.40.3 Amounts refunded or credited for the Products which were rejected, spoiled, damaged, outdated or returned;

1.40.4 Distribution, packing, handling, freight, shipment and insurance costs in transporting the Products to customers; and

1.40.5 Taxes and other governmental charges occurred in connection with the sale of Products.

1.41 "**Non-Royalty Income**" shall mean the portion of Net Receipts that is not Royalty Income.

1.42 "**Oa**" shall mean the percentage value of royalty and non-royalty sharing ascribed to ABL Bio in Appendix 5.

1.43 "**Oi**" shall mean the percentage value of royalty and non-royalty sharing ascribed to I-Mab in Appendix 5.

1.44 "Opt-In Notice" shall have the meaning ascribed in Section 3.2.

1.45 "**Opt-In Party**" shall have the meaning ascribed in Section 4.3.2.

1.46 "**Opt-Out Party**" shall have the meaning ascribed in Section 4.3.2.

1.47 "**Out-Licensor**", "**Out-License**" "**Out-Licensee**", "**Out-License Agreement**" **and "Out-License Notice"** shall have the meanings ascribed in Section 3.3 and Section 4.

1.48 "**Parental Antibody**" shall mean each of ABL Bio Parental Antibody and I-Mab Parental Antibody.

1.49 "**Parental Antibody Improvements**" shall mean any and all data, results and other Know-How, inventions and developments that constitute improvements to I-Mab Parental Antibody Technology or ABL Bio Parental Antibody Technology, whether patentable or not, that have been identified, discovered or made by or on behalf of either Party or its Affiliates during the Term and are not specifically designed for BsAb ("**I-Mab Parental Antibody Improvements**" and "**ABL Bio Parental Antibody Improvements**", respectively). For the avoidance of doubt, Know-How and Patent Rights pertaining solely to the Parental Antibody itself (but not BsAb Technology) shall be deemed a Parental Antibody Improvement, and any and all improvements to Parental Antibody Technology that are specifically designed for BsAb should be deemed BsAb.

1.50 "**Parental Antibody Know-How**" shall mean the Know-How Controlled by I-Mab or ABL Bio during the Term that is reasonably necessary or useful for the practice of the inventions claimed by I-Mab or ABL Bio under its Parental Antibody Patent Rights ("**I-Mab Parental Antibody Know-How**" and "**ABL Bio Parental Antibody Know-How**", respectively).

1.51 "**Parental Antibody Technology**" shall mean the Parental Antibody Patent Rights and the Parental Antibody Know-How ("**I-Mab Parental Antibody Technology**" and "**ABL Bio Parental Antibody Technology**", respectively).

1.52 "**Patent Rights**" shall mean all patents and patent applications including without limitation continuations, continuations-in-part, divisions, patents of addition, utility patents, reissues, renewals, re-examinations, requests for continued examination, registrations, patents of importation or patent term extensions thereof including Supplemental Protection Certificates ("**SPCs**").

1.53 "**PD-L1/4-1BB BsAb**" shall mean the PD-L1 and 4-1BB bi-specific antibody that uses the PD-L1 sequence of I-Mab, and the 4-1BB sequence of ABL Bio.

1.54 "**PD-L1/B7H3 BsAb**" shall mean the PD-L1 and B7H3 bi-specific antibody that uses the PD-L1 sequence of I-Mab, and the B7H3 sequence of ABL Bio.

1.55 "**PD-L1/TIGIT BsAb**" shall mean the PD-L1 and TIGIT bi-specific antibody that uses the PD-L1 and TIGIT sequence of I-Mab.

1.56 "**Product**" shall mean a finished pharmaceutical formulation packaged and ready for sale containing the BsAb.

1.57 "**Product Family**" shall mean all Products containing the BsAb.

1.58 "**Project Lead**" or "**PL**" shall have the meaning ascribed in Section 2.3.

1.59 "**Receiving Party**" shall have the meaning ascribed in Section 1.15.

1.60 "**Research and Development**" shall mean any research and development performed by I-Mab or ABL Bio pursuant to the Research and Development Plan.

1.61 "**Research and Development Plan**" shall mean the Early Development Plan, the Late Development Plan, and Clinical Development Plan.

1.62 "**Royalty Income**" shall mean royalty payments, received by either Party or its Affiliates from a Third Party under the terms and conditions of an Out-License Agreement, which, for the purpose of clarification, shall include payments calculated on the basis of Net Sales generated in connection with such Out-License Agreement.

1.63 "**Term**" shall mean the period commencing on the Effective Date ending upon fulfilment of the last payment obligation of either Party to the other Party hereunder.

1.64 "**Territory**" shall mean the following: (1) "**ABL Bio's Territory for PD-L1/TIGIT BsAb**" or "**ABL Bio's Territory for PD-L1/B7H3 BsAb**" is the Republic of Korea, (2) "**ABL Bio's Territory for PD-L1/4-1BB BsAb**" is the Republic of Korea and Greater China (*i.e.*, the People's Republic of China, Hong Kong, Macao and Taiwan), (3) "**I-Mab's Territory for PD-L1/TIGIT BsAb**" or "**I-Mab's Territory for PD-L1/B7H3 BsAb**" is Greater China (*i.e.*, the People's Republic of China, Hong Kong, Macao and Taiwan) and (4) the "**Rest of the World**" is all other territories other than the Republic of Korea and Greater China. The Parties are entitled to the exclusive rights to the development and commercialization of the Product and the Product Family in their respective Territory as specifically defined in this Agreement.

1.65 "**Third Party**" shall mean any other entity than a Party and its Affiliates.

1.66 In this Agreement unless it is inconsistent with the context, a reference to a statutory provision includes a reference to: (i) a statutory amendment, modification, substitution, consolidation or re-enactment (whether before or after Effective Date); (ii) statutory instruments or subordinate legislation or orders made under the statutory provision; and (iii) statutory provisions of which the statutory provision is an amendment, modification, substitution, consolidation or re-enactment. Unless the context of this Agreement otherwise requires, (i) words of one gender includes the other gender; (ii) words using the singular or plural number also include the plural or singular number respectively; (iii) the terms "hereof", "herein", "hereby" and derivative or similar words refer to this entire Agreement; and (iv) the terms "Article", "Section" and "Appendix" refer to the specified Article, Section and Appendix of this Agreement. When this Agreement refers to a number of days, unless otherwise specified (e.g. Business Days), such number shall refer to calendar days. When this Agreement refers to a number of years and/or months, unless otherwise specified, such number shall refer to calendar years and/or months.

2. Early Development

2.1 The Parties have agreed to share activities according to the Early Development Plan attached hereto as Appendix 3 up to Decision Point I. Such Early Development Plan provides the planned activities of each Party and shall be updated, if required, by mutual agreement between the Parties.

2.2 All Early Development shall be performed according to the Early Development Plan by each Party (and/or its Affiliate or permitted CRO) as assigned to it therein. In principle, the Parties agreed to share the cost and responsibility for Early Development in the Rest of the World equally with Commercially Reasonable Efforts. However, for the purpose of administrative convenience, the Parties agree to share the costs for Early Development as follows:

2.2.1 Each Party is responsible to bear their respective costs for any and all in-house work to be performed by each Party until the production of selected candidates prior to *in vivo* proof of concept experiments in accordance with the roles assigned to the Party as outlined in the Early Development Plan and Exhibit A of the Materials Transfer Agreement.

2.2.2 Any and all the costs associated with the subsequent *in vivo* experiments, including without limitation *in vivo* experiments performed by I-Mab and the permitted CRO, will be split 50%:50% between the Parties

(a) Within thirty (30) days after the end of each calendar quarter, all parties (excluding I-Mab but including all permitted CROs) shall submit to ABL Bio a reasonably detailed report setting forth the cost and expense (including both in house and external costs and expenses) incurred by such party to perform the *in vivo* experiments activities.

(b) ABL Bio shall, within thirty (30) days after the receipt of such reports, prepare a consolidated report, subject to approval by the other Party;

(c) A Party which has borne and expended more than its share of the *in vivo* experiments costs shall submit to the other Party an invoice for such exceeded amount so that the total cost can be borne by the Parties (50%:50%). The other Party shall pay such invoice within sixty (60) days after receipt. Each Party shall keep detailed books and records of the development cost incurred by such Party to *in vivo* experiments activities and shall make such books and records available to the other Party for inspection and audit upon reasonable advance notice.

2.3 Project Lead. Promptly after the Effective Date, the Parties will appoint a Project Lead (the "**PL**") for each project to facilitate the communication of the Early Development activities. Each Party shall appoint its respective PL within thirty (30) days after the Effective Date, and may substitute its PL, in its sole discretion, effective upon written notice to the other Party of such change. Each Party's PL shall be a project manager and will have appropriate expertise and ongoing familiarity with the Research and Development Plans. The PLs shall keep each other informed of all details of the activities under the Early Development Plan and the Late Development Plan, subject to Section 3. The PL responsibilities shall include (i) scheduling meetings, including the JC; (ii) setting the agenda for such meetings with solicited input from other members, including the JC.

2.4 Each Party shall provide the other Party with disclosure of any invention made by that Party during the Research and Development comprising BsAb Technology Improvements, BsAb Improvements, and Parental Antibody Improvements.

3. Late Development, Clinical Development and Options

3.1 At Decision Point I and, in the event the JC decides to develop and commercialize any Product in the Rest of the World, at each Decision Point after Decision Point I, if one Party owns more than 50% of the intellectual property rights for a particular project as determined in accordance with Appendix 5, such Party shall be the Lead Party; if neither party owns more than 50% of the intellectual property rights for the project, the JC shall select a Party as the Lead Party within seven (7) Business Days after the completion of Decision Point I. For the avoidance of doubt, in the case of PD-L1/TIGIT, I-Mab shall be the Lead Party, and in the case of PD-L1/4-1BB and PD-L1/B7H3, ABL Bio and I-Mab own 50% respectively and the Lead Party shall be determined by the JC within seven (7) Business Days after Decision Point I. Decisions regarding Late Development, Clinical Development and entering into Out-License Agreement will be made in the following manner: in ABL Bio's Territory by ABL Bio, in I-Mab's Territory by I-Mab, and in the Rest of the World, by the Lead Party.

3.2 The Parties agree to co-develop each of the Products containing PD-L1/TIGIT, PD-L1/4-1BB and PD-L1/B7H3 up to Decision Point II and share the cost and responsibilities equally with Commercially Reasonable Efforts in accordance with the Late Development Plan attached hereto as Appendix 4. No later than seven (7) Business Days following each Decision Point II, III or IV, either Party can notify the other Party that it intends to share the costs of the next development work with the other Party in the Rest of the World ("**Opt-In Notice**"). After an Opt-In Notice from a Party, such Party shall automatically become the Lead Party if the other Party has not given a similar notice. For the avoidance of doubt, if one Party stops development work or sharing the costs of development work, the other Party who continues development work or bears the cost of such development work shall automatically become the Lead Party.

3.3 ABL Bio in ABL Bio's Territory, and I-Mab in I-Mab's Territory, has the right to pursue indirect development and commercialization of the Products via an Out-License Agreement ("**Out-License Agreement**") with any Third Party ("**Out-Licensee**"). The Party who enters into an Out-License Agreement in its Territory shall make a commercially reasonable effort to obtain the consent of such Out-Licensee to disclose relevant information (excluding financial terms) regarding such Out-License Agreement with the other Party after the execution. In the Rest of the World, either Party may pursue out-license opportunities, but the final decision to enter into an Out-License Agreement with any Out-Licensee to indirectly develop and commercialize the Product ("**Out-License**") in any country in the Rest of the World should be made by the Lead Party (a Party entering into an Out-License Agreement hereinafter referred to as "**Out-Licensor**"). Out-Licensor shall notify the other Party of the decision ("**Out-License Notice**") and, subject to consent of the Out-Licensee, provide the other Party with a complete copy of each Out-License Agreement within thirty (30) days of the execution of such agreement, which shall not be unreasonably withheld or delayed.

3.4 At Decision Point I and, if both Parties decide to co-develop the Products in the Rest of the World, at each Decision Point after Decision Point I, according to Section 3.1, the Lead Party shall, within ninety (90) days of such decision, convene a JC meeting for and agree to an amended Late Development Plan, the Clinical Development Plan, and the budget.

3.4.1 The PLs shall continue their responsibilities according to Sections 6.4 and 2.3 during the Late Development and the Clinical Development;

3.4.2 The JC shall discuss and approve any further changes to the Late Development Plan and the Clinical Development Plan in case of co-development and the budget proposed by the Parties;

3.4.3 All Late Development and Clinical Development shall be performed according to the Late Development Plan and Clinical Development Plan by each Party (and/or its Affiliate or permitted CMO/CRO) as assigned to it therein. Each Party shall use Commercially Reasonable Efforts to perform the Late Development and Clinical Development activities assigned to it and shall provide Late Development Report and Clinical Development Report to the other Party. Subject to the terms of this Agreement, the Lead Party may enter into a service agreement or collaboration agreement, without the other Party's prior written consent, with (i) its Affiliate and (ii) any Third Party acting solely as contract manufacturer, contract research organization, distributor or wholesaler of the Party or its Affiliates. A Party who enters into a service agreement or a collaboration agreement with its Affiliate or a Third Party shall, subject to consent of such Affiliate or Third Party, provide the other Party with a complete copy of such an Agreement within thirty (30) days of the execution of such agreement, which shall not be unreasonably withheld or delayed.

3.4.4 the Parties shall share the Late Development and Clinical Development cost as follows.

(a) Within fifteen (15) Business Days after the end of each calendar quarter, the other Party (*i.e.*, the party that is not the Lead Party) shall submit to the Lead Party a reasonably detailed report, together with evidence, setting forth the cost and expense (including both in house cost and expense at an FTE rate of USD 200,000 per year and external cost and expense) in such calendar quarter incurred by such Party to perform the Late Development or Clinical Development activities assigned to it under the Late Development Plan or Clinical Development Plan.

(b) If there is any question in the report prepared by the other Party, the Lead Party may request the other Party to supplement within fifteen (15) Business Days after receiving the detailed report from the other Party. Otherwise, the Lead Party shall prepare a consolidated report (summary of the cost and expense incurred by both the Lead Party and the other Party) within fifteen (15) Business Days after receiving the detailed report from the other Party, subject to approval by the other Party. The other Party should give the Lead Party a written notice within fifteen (15) Business Days if there is any question in such consolidated report.

(c) Upon receipt of such written notice within the required time, the Lead Party may provide a revised consolidated report to the other Party. If the Lead Party does not receive such a written notice within the required time, the Lead Party shall invoice the other Party according to the Development Costs Sharing (Ca: Ci) as specified in Appendix 5. The other Party shall pay such invoice within sixty (60) days after the invoice date.

(d) The total cost and expense, unless specifically approved by the JC, shall not exceed one hundred and ten percent (110%) of the amount set forth in the budget for such Late Development activities in the Late Development Plan or Clinical Development activities in the Clinical Development Plan.

(e) Each Party shall keep detailed books and records of the development cost incurred by such Party to perform Late Development or Clinical Development activities and shall make such books and records available to the other Party for inspection and audit upon reasonable advance notice.

3.5 Immediately after the execution of this Agreement, neither Party shall develop independently from the other Party or with any Third Party a bispecific antibody that uses the same pair of antibodies as the BsAb under this Agreement for bispecific antibody development, even if the latter bispecific antibody contains a different sequence than what was contained in the particular BsAb. In the event that both Parties agree, by signing an amendment at any time, that such a bispecific antibody that uses such pair of antibodies under this Agreement has no drug developability, such bispecific antibody that uses such pair of antibodies should not be limited by this Section 3.5.

3.6 Each Party should share the clinical data generated during its development work with the other Party without additional charge. Each Party should provide reasonable technical assistance regarding relevant documents, material, and technical transfer as reasonably requested by the other Party in accordance with, and at the FTE rate set forth in Section 3.4.4.

4. Out-License Income Sharing and Royalty Incoming Sharing

4.1 Out-License Right. The final decision to enter an Out-License Agreement with a Third Party in the Rest of the World should be made by the Lead Party. All other Out-License Agreements shall require the prior written consent of the other Party, which shall not be unreasonably withheld, delayed or conditioned. A Party who enters an Out-License Agreement or Sublicense Agreement with a Third Party shall provide the other Party with a complete copy of each Out-License Agreement within thirty (30) days of the execution of such agreement.

4.2 Party's Territory.

4.2.1 When either Party or its Affiliate Out-Licenses the Products in the Party's Territory, such Party shall not pay the other Party royalties or out-licensing incoming sharing on Net Sales of all Products in the Party's Territory.

4.3 Rest of the World.

In the event the JC decides to develop and commercialize the Products at any Decision Point in the Rest of the World, income sharing shall be done in the following manner.

4.3.1 **Non-Royalty Income Sharing**. After any Decision Point if both Parties decide to participate in the development of a Product in any country in the Rest of the World and execute an Out-License Agreement for the country, ABL Bio shall be entitled to a share (Oa) of the Non-Royalty Income, and I-Mab shall be entitled to a share of (Oi) of the Non-Royalty Income as specified in Appendix 5;

4.3.2 **Non-Royalty Income Sharing Adjustment in case of Opt-Out**. After any Decision Point except Decision Point I, if a Party ("**Opt-Out Party**") decides not to participate in the development of the Product(s) in the Rest of the World and the other Party ("**Opt-In Party**") executes an Out-License Agreement in the Rest of the World, the Opt-In Party shall pay to the Opt-Out Party a percentage of the Out-License income, which percentage shall equal to [X/(X+Y*1.5)] where,

(a) X is the total amount actually incurred (either paid or shared) by the Opt-Out Party to develop the Product under this Agreement before discontinuing the participation; and

(b) Y is the total amount actually incurred (either paid or shared) by the Opt-In Party to develop the Product under this Agreement before the execution of such Out-License Agreement;

4.3.3 **Royalty Income Sharing**. After any Decision Point if both Parties decide to participate in the development of a Product in any country in the Rest of the World and execute an Out-License Agreement for the country, ABL Bio shall be entitled to a share (Oa) of the Royalty Income, and I-Mab shall be entitled to a share of (Oi) of the Royalty Income as specified in Appendix 5.

4.3.4 **Royalty Income Sharing Adjustment in case of Opt-Out**. After any Decision Point except Decision Point I, if a Party decides not to participate in the development of the Product(s) in the Rest of the World and the other Party executes an Out-License Agreement in the Rest of the World, the Opt-In Party shall pay to the Opt-Out Party a minimal percentage of the Royalty Income as follows: when I-Mab or its Affiliate out-licenses the Products in the Rest of the World, I-Mab shall pay ABL Bio a percentage of the royalties, which percentage shall be no less than 5%*Oa; when ABL Bio or its Affiliate Out-Licenses the Products in the Rest of the World, ABL Bio shall pay I-Mab a percentage of the royalties, which percentage shall be no less than 5%*Oi as specified in Appendix 5.

Example: If ABL Bio decides not to participate in the development of the Product(s) for PD-L1/TIGIT BsAb after any Decision Point except Decision Point I, and I-Mab Out-Licenses the Product(s) to a Third Party with 10% royalty in any country in the Rest of World, then I-Mab shall pay ABL Bio 1.5% (= 5%*Oa) of the Royalty Income.

5. Payments

5.1 The payments under Section 4 above are expressly stated as exclusive of Value Added Tax or equivalent sales tax applicable ("**VAT**"). If VAT is or may become lawfully payable or chargeable in respect of a payment, then the Party receiving such Payment will promptly provide a valid VAT invoice to the Party making such Payment. If the VAT charged to and paid by the Party making such Payment is subsequently refunded by any relevant fiscal authority having oversight of either Party, then such refund shall be promptly forwarded to the Party who paid for the VAT with a valid VAT credit note. At the request of the other Party, either Party shall give the other Party the assistance as may be required by the relevant tax authority, to claim exemption from or reduction of the VAT.

5.2 If any withholding tax applies to any amount due to either Party under this Agreement, such amount of withholding tax due will be deducted from the amount to be paid to either Party and paid to the appropriate tax authorities in a timely manner. At the request of the other Party, either Party shall give the other Party the assistance as may be required by the relevant tax authority, to claim exemption from or reduction of such withholding tax imposed on the amount. The other Party will provide either Party written evidence of its payment of any such withholding tax.

5.3 Parties and their respective Affiliates shall keep complete and accurate books and records used in the determination of all Net Sales, payments and deliveries of the Products to Third Parties for a period of ten (10) years. Either Party shall, not more than once a calendar year, have the right to appoint an independent certified public accountant or like person (the "**Auditor**") reasonably acceptable to the other Party, to perform an audit at the other Party's site upon at least ten (10) Business Days' prior written notice and within normal business hours. The other Party shall provide all books and records necessary for the Auditor to determine Net Sales, payments and deliveries under this Agreement. The cost of such audit shall not be borne by the other Party, except for the event that the audit results determine a shortfall of reported Net Sales greater than two percent (2%).

5.4 The other Party shall adhere to the payment terms described in Section 4. An interest of 0.1% per day shall accrue on the total amount of late payment from the day when the corresponding payment becomes due and payable.

5.5 The Party shall make all the payments to the other party under this Agreement in US Dollar (USD), including, but not limited to, Net Sales and Net Receipts in currencies other than USD shall be converted into USD using the average of the respective exchange rate as published by Bloomberg for the respective quarter. All the payments will be made without deduction of exchange, collection or other charges.

6. Contract Governance

6.1 Joint Committee. Promptly after the Effective Date the Parties will establish a joint committee to facilitate the performance and oversight of the Research and Development Plan (the "**JC**"). The JC will be comprised of an equal number of representatives from either Party, at least two (2) named representatives of I-Mab and at least two (2) named representatives of ABL Bio. Each Party shall appoint its respective representatives to the JC within thirty (30) days after the Effective Date, and may substitute one or more of its representatives, in its sole discretion, effective upon notice to the other Party of such change. Each Party shall have a JC representative who is a senior employee (Vice President level or above), and each JC representative will have appropriate expertise and ongoing familiarity with the Research and Development Plans. Additional representatives may from time to time, by mutual consent of the Parties, be invited to attend JC meetings, subject to such representatives' written agreement to comply with the requirements of Section 8. All proceedings for the JC shall take place in English. Each Party shall bear its own expenses relating to attendance at such meetings by its representatives.

6.2 Meetings. The JC shall meet in accordance with a schedule established by agreement of the Parties, but no less frequently than once per calendar quarter, with the location for such meetings alternating between I-Mab and ABL Bio facilities (or such other locations as are determined by the JC). Alternatively, the JC may meet by means of teleconference, videoconference or other similar communications equipment, but at least one meeting per year shall be conducted in person. Each Party shall nominate a chairperson (each, a "**JC Chairperson**") with equal voting rights on each decision.

6.3 JC Responsibilities. The JC shall (i) monitor progress under the Research and Development Plans, review relevant data and share information on progress of the Research and Development with the Parties, (ii) review and approve any proposed updates to the Early Development Plan and, subject to Section 3, the Late Development Plan and Clinical Development Plan, (iii) discuss and consult regarding any technical or scientific difficulties encountered under a Research and Development Plan, (iv) perform such other activities as the Parties agree in writing shall be the responsibility of the JC, (v) decide which Product to develop and commercialize, (vi) review and approve amended Research and Development Plan and the budget, and (vii) select a Party as the Lead Party of each project in the Rest of the World within seven (7) Business Days after the completion of Decision Point I. For avoid of the doubt, the Lead Party may be changed at any Decision Point by vote in JC or the consent of the Parties.

6.4 The PL shall be responsible for (i) scheduling meetings at least once per calendar quarter, but more frequently as the JC determines it necessary; (ii) setting agenda for meetings with solicited input from other members; (iii) confirming and delivering minutes to the JC for review and final approval; and (iv) conducting effective meetings, including ensuring that objectives for each meeting are set and achieved. Each Party will provide the members of the JC with written copies of all materials they intend to present at a JC meeting. In the absence of a PL, the tasks assigned to the PL in this Section 6.4 shall be assigned to the JC Chairperson.

6.5 All decisions of the JC shall be made by consensus, with each Party having collectively one (1) vote in all decisions. If after reasonable discussion and good faith consideration of both Party's views on a particular matter before the JC, the JC is still unable after a period of ten (10) days to reach a unanimous decision on such matter, then either Party may, by written notice to the other, have such matter referred to the CEOs of the Parties for resolution. If the CEOs are able to resolve such matter within the thirty (30) day period, then: (a) with respect to the Early Development Plan, the status quo (including the existing budget) shall persist until the Parties reach agreement with respect to any amendment thereto; and (b) I-Mab in I-Mab's Territory, ABL Bio in ABL Bio's Territory, and the developing Party(ies) in the Rest of the World shall have the right to approve amendments to the Late Development Plan and Clinical Development Plan.

7. Diligence and Reports

7.1 Each Party agrees to maintain proper records (the "**Records**") in respect of its performance of the Research and Development, including the procedures, techniques and methodologies used, the progress made, and any inventions conceived and/or reduced to practice or otherwise made as part of the Research and Development. In order to file, prosecute and defend and Patent Rights claiming any BsAb Improvement, BsAb Technology Improvement, or Parental Antibody Improvement, each Party shall upon request of the other Party, which shall not be unreasonably made, (a) make the Records available to the other Party or its designee for inspection; and (b) provide copies of the Records or any part(s) thereof to the other Party or its designee. As part of keeping the Records, each Party shall ensure that all of its personnel and all of its agents that are involved in the Research and Development will keep accurate laboratory notebooks, that: (i) shall be duly signed, dated and witnessed; and (ii) shall be created and maintained in accordance with its standard operating procedures that would be sufficient to allow for said laboratory notebooks to be used in any proceedings before the relevant governmental authorities in the relevant Territory, in order to establish the date of invention for any inventions in according with the patent Laws applicable in the relevant Territory.

7.2 Each calendar quarter until expiration of the royalty payment or income sharing obligation under Section 4, each Party shall provide to the other Party reports as follows:

7.2.1 Each Party shall provide to the other Party an Early Development Report within thirty (30) days after the end of each calendar quarter during Early Development including all the results obtained in the past calendar quarter (including without limitation all raw data).

7.2.2 Regardless of whether a Party participates in Late Development or Clinical Development, each Party shall provide to the other Party a Late Development Report or Clinical Development Report within thirty (30) days after the end of each calendar quarter during Late Development or Clinical Development including all the results obtained in the past calendar quarter (including without limitation all raw data).

7.2.3 Upon and after the launching of the Product or Product Family, I-Mab and ABL Bio shall provide a biannual report to each other providing a high-level overview of all material commercial activities in the respective territories for the Product within thirty (30) days after the end of each six-month period.

8. Confidentiality Obligations

8.1 In consideration of disclosure of Confidential Information by the Disclosing Party, the Receiving Party undertakes:

8.1.1 to keep the Confidential Information secret and confidential at all times;

8.1.2 not to disclose or permit the disclosure of any Confidential Information of the Disclosing Party, in whole, in part, or in summary, to any person, except as expressly permitted by this Agreement;

8.1.3 not to use the Confidential Information of the Disclosing Party or permit it to be used, in whole or in part, for any purpose other than the performance of its obligations or exercise of its rights under this Agreement;

8.1.4 to take all proper and reasonable measures to ensure the confidentiality of the Confidential Information of the Disclosing Party, including but not limited to applying the same security measures and degree of care to such Confidential Information as the Receiving Party applies to its own confidential information; and

8.1.5 to inform the Disclosing Party immediately if it becomes aware of the possession, use or knowledge of any of the Confidential Information of the Disclosing Party by an unauthorised person, and to provide any assistance in relation to such unauthorised possession, use or knowledge that the Disclosing Party may reasonably require.

8.2 Exceptions to Confidentiality Obligations

8.2.1 The Receiving Party's obligations of confidentiality and non-use under this Agreement shall not apply to any Confidential Information of the Disclosing Party that the Receiving Party can prove by means of reasonable written evidence:

(a) was known to the Receiving Party on a non-confidential basis prior to disclosure by the Disclosing Party; or

(b) is or becomes publicly known other than as a result of breach of this Agreement by the Receiving Party or by anyone to whom the Receiving Party disclosed the Confidential Information of the Disclosing Party; or

(c) is received by the Receiving Party without restriction on disclosure or use from a Third Party lawfully entitled to make the disclosure without such restrictions; or

(d) is developed by any of the Receiving Party's or its Affiliate's directors, employees, consultants, advisors or agents (collectively, "**Representatives**") who have not had any direct or indirect access to, or use or knowledge of, the Confidential Information of the Disclosing Party;

except that the above exceptions do not extend to circumstances where the Confidential Information is (i) specific, does not fall within the above exceptions, and is embraced by more general information which does fall within the above exceptions or (ii) a combination of information in the public domain separated across multiple sources.

8.2.2 The Receiving Party will not be in breach of its obligations under this Agreement to the extent that it is required to disclose Confidential Information of the Disclosing Party by law (provided, in the case of a disclosure under any freedom of information legislation, that the exemptions under that legislation do not apply) or order of a court or other public body that has jurisdiction over it, provided that, before making such a disclosure, the Receiving Party shall, to the extent it is legally permitted to do so:

(a) inform the Disclosing Party of the proposed disclosure as soon as possible, and if possible before the court or other public body orders the disclosure;

(b) take into account reasonable requests of the Disclosing Party in relation to such disclosure;

(c) ask the court or other public body to treat such Confidential Information as confidential; and

(d) permit the Disclosing Party to make representations to the court or other public body in respect of the disclosure and/or confidential treatment of such Confidential Information.

8.3 Disclosure to Representatives

8.3.1 The Receiving Party shall permit access to the Confidential Information of the Disclosing Party only to those of its representatives who:

(a) reasonably require such access for performing its obligations or exercising its rights under this Agreement;

(b) have been informed of the confidential nature of such Confidential Information, the Disclosing Party's interest in such Confidential Information, and the provisions of this Agreement, and have been instructed to comply with this Agreement; and

(c) have entered into legally binding confidentiality obligations to the Receiving Party on terms that are no less onerous than those set out in this Agreement, and which extend to such Confidential Information.

8.3.2 The Receiving Party shall ensure that all those representatives who have access to the Confidential Information of the Disclosing Party comply with the provisions of this Agreement, and the Receiving Party shall be liable to the Disclosing Party for any breach of this Agreement by the Receiving Party's Representatives.

8.4 Upon expiration or termination of this Agreement,

8.4.1 At the Disclosing Party's written request, the Receiving Party shall;

(a) immediately return to the Disclosing Party (or, if the Disclosing Party so requests, destroy or erase) all Confidential Information of the Disclosing Party that the Receiving Party has received under this Agreement including any copies made and permanently delete all electronic copies of any such Confidential Information from the Receiving Party's computer systems;

(b) provide to the Disclosing Party a certificate, signed by an officer of the Receiving Party, confirming that the obligations in this Section 8.4 have been complied with; and

(c) make no further use of any such Confidential Information.

The Receiving Party may, however, keep one copy of the Confidential Information of the Disclosing Party in its legal advisor's files solely for the purpose of enabling it to comply with the provisions of this Agreement.

8.5 As between the parties, except as otherwise expressly set forth in this Agreement:

8.5.1 the Confidential Information of the Disclosing Party is proprietary to the Disclosing Party and the Disclosing Party reserves all rights in such Confidential Information;

8.5.2 the Disclosing Party is the sole owner of all property rights in tangible records of the Confidential Information of the Disclosing Party; and

8.5.3 the Disclosing Party is and shall remain the sole owner of all intellectual property rights in the Confidential Information of the Disclosing Party.

8.6 No rights in respect of the Confidential Information of the Disclosing Party are granted to the Receiving Party, other than to use it in accordance with the terms of this Agreement, and no obligations are imposed on the Disclosing Party other than those expressly stated in this Agreement. In particular, nothing in this Agreement shall be construed or implied as obliging the Disclosing Party to disclose any specific type of information under this agreement, whether Confidential Information or not.

8.7 The Receiving Party agrees that any breach of its obligations of confidentiality and non-use under this Agreement will cause irreparable harm to the Disclosing Party; therefore, the Disclosing Party shall have, in addition to any remedies available at law, the right to obtain equitable relief to enforce this Agreement.

8.8 The confidentiality obligations under this Section shall, notwithstanding any termination of discussions between the Parties, continue in force for a period of seven (7) years after the expiration or termination of this Agreement. Notwithstanding the foregoing, the non-disclosure and non-use obligations imposed by this Agreement with respect to trade secrets included in the Confidential Information of a Party will continue for as long as such Party continues to treat such Confidential Information as a trade secret.

8.9 The Parties agree to make a joint press release according to Appendix 6 of this Agreement. Regarding any other information not expressly contained in such joint press release, except for disclosure required by applicable laws, neither Party shall make, or permit any person to make, any public announcement concerning this Agreement without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed).

9. Representation and Warranties

9.1 Each Party represents and warrants to the other Party that as of the Effective Date:

9.1.1 Such Party (i) is a company duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization; (ii) has the requisite corporate power and authority and the legal right to conduct its business as now conducted and hereafter contemplated to be conducted; and (iii) has or will obtain all necessary licenses, permits, consents, or approvals from or by, and has made or will make all necessary notices to, all governmental authorities having jurisdiction over such Party, required for the performance of this Agreement.

9.1.2 The execution, delivery and performance of this Agreement by such Party (i) are within the corporate power of such Party; (ii) have been duly authorized by all necessary or proper corporate action; (iii) do not conflict with any provision of the organizational documents of such Party; (iv) will not, to the best of such Party's knowledge, violate any Laws or any order or decree of any court or governmental authority; and (v) will not violate or conflict with any terms of any indenture, mortgage, deed of trust, lease, agreement or other instrument to which such Party is a party, or by which such Party is bound;

9.1.3 This Agreement has been duly executed and delivered by such Party and constitutes a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium, and similar laws of general application affecting the enforcement of creditors' rights generally, and subject to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief or specific performance, is in the discretion of the court.

9.2 Each Party represents, warrants and covenants that neither it nor any of its Affiliates has been Debarred or is subject to Debarment and neither it nor any of its Affiliates will use in any capacity, in connection with the Research and Development, any person or entity who has been Debarred. Each Party agrees to inform the other Party in writing immediately if it or any person or entity who is performing Research and Development under this Agreement is Debarred, or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to such Party's knowledge, is threatened, relating to the Debarment of such Party or any person or entity used in any capacity by such Party or any of its Affiliates in connection with the Research and Development.

9.3 ABL Bio represents and warrants to I-Mab that as of the Effective Date, ABL Bio is the lawful owner of all right, title and interest in and to the BsAb Technology, the ABL Bio Parental Antibody Patent Rights and ABL Bio Parental Antibody Know-How. As of the Effective Date, ABL Bio has no knowledge of any claim made against it (x) asserting the invalidity, misuse, unregisterability or unenforceability of any of the BsAb Technology and the ABL Bio Parental Antibody Patent Rights or (y) challenging ABL Bio's Control of BsAb Technology, ABL Bio Parental Antibody Patent Rights or ABL Bio Parental Antibody Know-How or making any adverse claim of ownership of BsAb Technology, ABL Bio Parental Antibody Patent Rights or ABL Bio Parental Antibody Know-How.

9.4 I-Mab represents and warrants to ABL Bio that as of the Effective Date, I-Mab is the lawful owner of all right, title and interest in and to the I-Mab Parental Antibody Patent Rights and I-Mab Parental Antibody Know-How. As of the Effective Date, I-Mab has no knowledge of any claim made against it (x) asserting the invalidity, misuse, unregisterability or unenforceability of any of the I-Mab Parental Antibody Patent Rights or (y) challenging I-Mab's Control of I-Mab Parental Antibody Patent Rights or I-Mab Parental Antibody Know-How or making any adverse claim of ownership of the I-Mab Parental Antibody Patent Rights or I-Mab Parental Antibody Know-How.

9.5 THE EXPRESS REPRESENTATIONS AND WARRANTIES OF THE PARTIES STATED IN THIS SECTION 9 ARE IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR NON-MISAPPROPRIATION OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS.

10. Indemnification

10.1 Subject to the other provisions of this Section, ABL Bio shall defend, indemnify and hold harmless I-Mab, its Affiliates, and each of their officers, directors, shareholders, employees, successors and assigns from and against all Third Parties claims, suites, losses, liabilities, damages, costs, fees and expenses (including reasonable attorney's fee), to the extent arising out of (i) ABL Bio's negligence or willful misconduct in performing any of its obligations under this Agreement, or (ii) breach by ABL Bio of any of its representations, warranties, covenants or agreements under this Agreement, except in each case to the extent such claims arise from a matter for which I-Mab is obligated to indemnify ABL Bio under Section 10.2.

10.2 Subject to the other provisions of this Section, I-Mab shall defend, indemnify and hold harmless ABL Bio, its Affiliates, and each of their officers, directors, shareholders, employees, successors and assigns from and against all Third Parties claims, suites, losses, liabilities, damages, costs, fees and expenses (including reasonable attorney's fee), to the extent arising out of (i) I-Mab's negligence or willful misconduct in performing any of its obligations under this Agreement, or (ii) breach by I-Mab of any of its representations, warranties, covenants or agreements under this Agreement, except in each case to the extent such claims arise from a matter for which ABL Bio is obligated to indemnify I-Mab under Section 10.1.

10.3 Each Party ("**Indemnified Party**") will promptly notify the other Party ("**Indemnifying Party**") in writing if it becomes aware of a claim (actual or potential) by any Third Party or any proceeding (including any investigation by a governmental authority) ("**Third Party Claim**") for which indemnification may be sought and will give such related information as the Indemnifying Party shall reasonably request.

10.4 To be eligible to be indemnified hereunder, the Indemnified Party will provide the Indemnifying Party with prompt notice of the claim giving rise to the indemnification obligation pursuant to this Section 10.4 and the exclusive ability to defend (with the reasonable cooperation of the Indemnified Party) or settle any such claim; provided, however, that the Indemnifying Party will not enter into any settlement for damages other than monetary damages without the Indemnified Party's written consent, such consent not to be unreasonably withheld. The Indemnified Party has the right to participate, at its own expense and with counsel of its choice, in the defense of any claim or suit that has been assumed by the Indemnifying Party. If the Parties cannot agree as to the application of Sections 10.1 and 10.2 to any particular Third Party Claim, the Parties may conduct separate defenses of such Third Party Claim. Each Party reserves the right to claim indemnity from the other in accordance with Sections 10.1 and 10.2 above upon resolution of the underlying claim, notwithstanding the provisions of this Section 10.4 requiring the Indemnified Party to tender to the Indemnifying Party the exclusive ability to defend such claim or suit.

10.5 NEITHER PARTY WILL BE LIABLE UNDER ANY LEGAL THEORY (WHETHER TORT, CONTRACT OR OTHERWISE) FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS HEREUNDER, INCLUDING LOST PROFITS ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES, EXCEPT AS A RESULT OF A MATERIAL BREACH OF THE CONFIDENTIALITY AND NON-USE OBLIGATIONS IN SECTION 8. NOTHING IN THIS SECTION 10.5 IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY.

11. Intellectual Property Rights, BsAb Technology and BsAb Improvements, Parental Antibody Technology and Parental Antibody Improvements.

11.1 Each Party shall have and retain sole and exclusive title to their respective intellectual property rights. For avoidance of doubt, as between the Parties, ABL Bio shall own and retain all rights to the BsAb Technology (including BsAb Technology Improvements) and ABL Bio Parental Antibody Technology (including ABL Bio Parental Antibody Improvements), and I-Mab shall retain all rights to I-Mab Parental Antibody Technology (including I-Mab Parental Antibody Improvements). ABL Bio grants I-Mab right to exploit (including right to grant sub-license for the purpose of Out-License) the intellectual property rights in the BsAb Technology (including BsAb Technology Improvements) and ABL Bio Parental Antibody Technology (including ABL Bio Parental Antibody Improvements) within the scope of this Agreement, and I-Mab grants ABL Bio right to exploit (including right to grant sub-license for the purpose of Out-License) the intellectual property rights in I-Mab Parental Antibody Technology (including I-Mab Parental Antibody Improvements) within the scope of this Agreement.

11.2 All BsAb Improvements shall be (i) jointly owned by ABL Bio and I-Mab (Oa: Oi) in the Rest of World as specified in Appendix 5; (ii) owned solely by ABL Bio in ABL Bio's Territory; and (iii) owned solely by I-Mab in I-Mab's Territory. The Parties will coordinate the preparation, filing, prosecution and maintenance of any patents covering any BsAb Improvement. All costs and expenses in relation to the prosecution, settlement and compensation shall be (i) shared by ABL Bio and I-Mab (Oa: Oi) in the Rest of World as specified in Appendix 5; (ii) solely born by ABL Bio in ABL Bio's Territory; and (iii) solely born by I-Mab in I-Mab's Territory.

11.3 As between the Parties, all BsAb Technology (including BsAb Technology Improvements) and ABL Bio Parental Antibody (including ABL Bio Parental Antibody Improvements) shall be solely owned by ABL Bio. As between the Parties, ABL Bio has the sole right for the preparation, filing, and maintenance of any patents covering any BsAb Technology (including BsAb Technology Improvements) and ABL Bio Parental Antibody (including ABL Bio Parental Antibody Improvements). All costs and expenses incurred relation to the preparation, filing, and maintenance shall be solely born by ABL Bio.

11.4 All I-Mab Parental Antibody (including I-Mab Parental Antibody Improvements) shall be solely owned by I-Mab. I-Mab has the sole right for the preparation, filing, and maintenance of any patents covering I-Mab Parental Antibody (including I-Mab Parental Antibody Improvements). All costs and expenses incurred relation to the preparation, filing, and maintenance shall be solely born by I-Mab.

11.5 During and after the Term, I-Mab will, and will cause its Affiliates and representatives to, (i) cooperate fully in obtaining patent and other proprietary protection for any patentable or protectable BsAb Technology Improvements and ABL Bio Parental Antibody Improvements, all in the name of ABL Bio and at ABL Bio's cost and expense; and (ii) execute and deliver all requested applications, assignments and other documents, and take such other measures as ABL Bio reasonably requests, in order to perfect and enforce ABL Bio's rights in BsAb Technology Improvements and ABL Bio Parental Antibody Improvements. I-Mab appoints ABL Bio as its attorney to execute and deliver any such documents on behalf of I-Mab and its Affiliates and representatives in the event I-Mab, its Affiliates or its representatives fail to do so.

11.6 During and after the Term, ABL Bio will, and will cause its Affiliates and representatives to, (i) cooperate fully in obtaining patents and other proprietary protections for any patentable or protectable I-Mab Parental Antibody Improvements, all in the name of I-Mab and at I-Mab's cost and expense; and (ii) execute and deliver all requested applications, assignments and other documents, and take such other measures as I-Mab reasonably requests, in order to perfect and enforce I-Mab's rights in I-Mab Parental Antibody Improvements. ABL Bio appoints I-Mab as its attorney to execute and deliver any such documents on behalf of ABL Bio and its Affiliates and representatives in the event ABL Bio, its Affiliates or its representatives fail to do so.

11.7 Each Party shall be responsible for the maintenance of its own intellectual property rights during the Term of this Agreement.

11.8 In the event of the institution of any suit by a Third Party against a Party or its Affiliates for Patent Right infringements involving the registration, development, manufacture, use, sale, distribution, or marketing of the Products, the Party being sued shall promptly inform the other Party in writing and shall take appropriate action to defend such suit at its own expense; provided however that, if such Third Party action affects the BsAb Technology's or ABL Bio Parental Antibody Technology's freedom to operation, then ABL Bio shall have the first right, but not the obligation, to take over and control the defense of such action; and if such Third Party action affects I-Mab Parental Antibody Technology's freedom to operation, then I-Mab shall have the first right, but not the obligation, to take over and control the defense of such action. The cost and expense sharing are pursuant to Sections 11.2, 11.3, and 11.4. ABL Bio and I-Mab shall provide reasonable assistance to one another and reasonably cooperate in any such litigation at the other Party's request without expense to the requesting Party.

11.9 In the event I-Mab becomes aware of actual or threatened infringement or validity attacks of BsAb Technology, ABL Bio Parental Antibody Patent Rights or ABL Bio Parental Antibody Know-How in I-Mab's Territory, I-Mab shall promptly notify ABL Bio in writing of such actual or threatened activity or validity attacks. ABL Bio shall have the first right, but not the obligation, to bring an action against any infringement of BsAb Technology, ABL Bio Parental Antibody Patent Rights or ABL Bio Parental Antibody Know-How. If ABL Bio elects to institute the enforcement action, it shall have full control over such enforcement action, including settlement thereof. In any event, at ABL Bio's request, I-Mab shall provide reasonable assistance and cooperation to ABL Bio in connection with any such proceeding, provided, however that all reasonable third-party out of pocket costs shall be borne by ABL Bio and reimbursable to I-Mab upon written request. ABL Bio shall bear all of its costs and expenses of such enforcement actions and shall be entitled to retain all monetary and non-monetary recoveries or settlements obtained as a result. In the event ABL Bio elects not to institute the enforcement action in accordance with this Section 11.9, and I-Mab reasonably believes such infringement has a significant negative impact on the rights granted to its hereunder, I-Mab shall, upon reasonable advance notice to ABL Bio, be entitled to institute enforcement actions to enjoin such infringement; provided, however, that (a) I-Mab shall keep ABL Bio informed of any such proceedings in a timely manner, and (b) the settlement of any such proceedings instituted by I-Mab shall be subject to ABL Bio's prior written approval, which shall not be unreasonably withheld or delayed. ABL Bio shall use its best and good faith efforts to assist and cooperate with I-Mab and provide I-Mab with such assistance and information as may be reasonably requested by I-Mab in respect of any such action; provided, however, that all reasonable third-party out of pocket costs with respect to such enforcement action shall be borne by I-Mab and reimbursable to ABL Bio. I-Mab shall bear all of its costs and expenses of such enforcement actions and shall be entitled to retain all monetary and non-monetary recoveries or settlements obtained as a result.

11.10 In the event ABL Bio becomes aware of actual or threatened infringement or validity attacks of I-Mab Parental Antibody Patent Right or I-Mab Parental Antibody Know-How in ABL Bio's Territory, ABL Bio shall promptly notify I-Mab in writing of such actual or threatened activity or validity attacks. I-Mab shall have the first right, but not the obligation, to bring an action against any infringement of I-Mab Parental Antibody Patent Right or I-Mab Parental Antibody Know-How. If I-Mab elects to institute the enforcement action, it shall have full control over such enforcement action, including settlement thereof. In any event, at I-Mab's request, ABL Bio shall provide reasonable assistance and cooperation to I-Mab in connection with any such proceeding , provided, however that all reasonable third-party out of pocket costs shall be borne by I-Mab and reimbursable to ABL Bio upon written request. I-Mab shall bear all of its costs and expenses of such enforcement actions and shall be entitled to retain all monetary and non-monetary recoveries or settlements obtained as a result. In the event that I-Mab elects not to institute the enforcement action in accordance with this Section 11.10, and ABL Bio reasonably believes such infringement has a material negative impact on the rights granted to it hereunder, ABL Bio shall, upon reasonable advance notice to I-Mab, be entitled to institute enforcement actions to enjoin such infringement in its own right upon reasonable advance notice to I-Mab; provided, however, that (a) ABL Bio shall keep I-Mab informed of any such proceedings in a timely manner, and (b) the settlement of any such proceedings instituted by ABL Bio shall be subject to I-Mab's prior written approval, which shall not be unreasonably withheld or delayed. I-Mab shall use its best and good faith efforts to assist and cooperate with ABL Bio and provide ABL Bio with such assistance and information as may be reasonably requested by ABL Bio in respect of any such action; provided, however, that all reasonable third-party out of pocket costs with respect to such enforcement action shall be borne by ABL Bio and reimbursable to I-Mab. ABL Bio shall bear all of its costs and expenses of such enforcement actions and shall be entitled to retain all monetary and non-monetary recoveries or settlements obtained as a result.

11.11 The Parties shall keep another informed of the status of their respective activities regarding any litigation or settlement thereof concerning the Products.

11.12 The Parties shall coordinate with each other for the assign, transfer, license or grant any of its rights in BsAb Improvements in the Rest of the World. Neither party shall assign, transfer, license or grant any of its rights in BsAb Improvements in the Rest of the World to a third party without the consent of the other Party, such consent shall not be unreasonably withheld.

12. Termination

12.1 This Agreement shall continue for the Term, if not terminated earlier as described in this Section 12.

12.2 Either Party (the "**Non-Breaching Party**") may, without prejudice to any other remedies available to it at law or in equity, terminate this Agreement in its entirety in the event the other Party (the "**Breaching Party**") has materially breached or defaulted in the performance of any of its obligations hereunder and such default has continued for sixty (60) days after written notice thereof was provided to the Breaching Party by the Non-Breaching Party. Any such termination will become effective at the end of such 60-day period unless the Breaching Party has cured any such breach or default prior to the expiration of such 60-day period. Notwithstanding the foregoing, in the event and to the extent that any such breach is a payment breach, the applicable notice and cure period as provided above will be ten (10) Business Days.

12.3 In the event that:

12.3.1 I-Mab or any of its Affiliates (the "**ABL Bio Challenging Party**") (i) commence or participate in any action or proceeding (including any patent opposition or re-examination proceeding), or otherwise assert in writing any claim, challenging or denying the validity of any of the BsAb Technology or ABL Bio Parental Antibody Patent Rights (each a "**ABL Bio Technology Challenge**") or (ii) actively assist any other person or entity in bringing or prosecuting any ABL Bio Technology Challenge, then ABL Bio has the right to terminate this Agreement immediately by giving notice to the ABL Bio Challenging Party (and, if the ABL Bio Challenging Party is not I-Mab, to give such notice to I-Mab as well).

12.3.2 ABL Bio or any of its Affiliates (the "**I-Mab Challenging Party**") (i) commence or participate in any action or proceeding (including any patent opposition or re-examination proceeding), or otherwise assert in writing any claim, challenging or denying the validity of any of the I-Mab Parental Antibody Patent Rights, or any claim thereof (each, a "**I-Mab Patent Challenge**") or (ii) actively assist any other person or entity in bringing or prosecuting any I-Mab Patent Challenge, then I-Mab has the right to terminate this Agreement immediately by giving notice to the I-Mab Challenging Party (and, if the I-Mab Challenging Party is not ABL Bio, to give such notice to ABL Bio as well).

12.4 In the event that there is an early termination of this Agreement in accordance with Sections 12.2 or 12.3 after completion of Late Development and either Party continues the further development and commercialization of the Products in any Territory, the Party continuing the development and commercialization of the Product shall continue to be obliged to pay to the other Party the royalty and the Out-License income sharing as described under Section 4 of this Agreement, provided that such rights have accrued hereunder prior to the effective date of such termination.

12.5 The following provisions will survive any expiration or termination of this Agreement for the period of time specified therein, or if not specified, then they will survive indefinitely: Sections 1, 8, 10, and 13, and Sections 5.3, 7.1, 11, 12.4, 12,5 and 12.6. Termination of this Agreement will not relieve the Parties of any liability and/or payment obligation that accrued hereunder prior to the effective date of such termination nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement. The remedies provided in this are not exclusive of any other remedies a Party may have in law or equity.

12.6 The Parties acknowledge and agree that in the event insurmountable technical difficulties and risk factors ("**Risk**") occurs to a Party and such Risk is not resolved by the Party within 90 days thereafter despite all reasonable efforts, the Party shall be entitled to terminate this Agreement by sending a written notice to the other Party. After termination of this Agreement in accordance with this Section 12.6, the losses incurred to the Parties shall be borne by the Parties respectively, and the terminating Party will no longer have the right to continue developing any Product.

13. Miscellaneous

13.1 All disputes which arise in connection with this Agreement and its interpretation shall be settled in amicable way between the Parties. If the dispute cannot be settled in friendly way, it will be settled by arbitration to be held in New York in conformity with the rules of International Chamber of Commerce (ICC). Such arbitration will be held in the English language. The decision of the arbitrator will be final and binding on the Parties.

13.2 This Agreement shall be construed, and the respective rights of the Parties determined, according to the Laws of the State of New York, without regard to its choice of law principles.

13.3 In the event that any legal proceeding is brought to enforce or interpret any of the provisions of this Agreement, the prevailing Party shall be entitled to recover its reasonable attorney fees, court costs and expenses of litigation whether or not the action or proceeding results in a final judgment.

13.4 This Agreement may not be assigned or transferred by either Party, in whole or in part, whether voluntarily or by operation of law, without the prior written consent of the other Party; provided that either Party my assign this Agreement, in whole or in part, to any of its Affiliates if such Party guarantees the performance of this Agreement by such Affiliate; and provided further that ABL Bio and/or I-Mab may assign this Agreement to a successor to all or substantially all of its assets or business to which this Agreement relates, whether by merger, sale of stock, sale of assets or other similar transaction. Any assignment in violation of this provision is void and without effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their permitted successors, legal representatives and assigns.

13.5 All notices must be in writing in English and sent to the address for the recipient set forth in this Agreement or at such other address as the recipient may specify in writing under this procedure.

If to ABL Bio:	ABL Bio ***
with a copy to:	***
If to I-Mab:	I-MAB Biopharma Co., Ltd. ***
with a copy to:	***

13.6 All notices must be given (a) by personal delivery, with receipt acknowledged; or (b) by prepaid certified or registered mail, return receipt requested; or (c) by prepaid recognized express delivery service. Notices will be effective upon receipt or at a later date stated in the notice. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

13.7 The headings used in this Agreement have been inserted for convenience of reference only and not define or limit the provisions hereof.

13.8 No waiver of any term or condition of this Agreement shall be effective unless set forth in this Agreement, all rights and remedies available to a Party, whether under this Agreement or afforded by Law or otherwise, will be cumulative and not in the alternative to any other righty or remedies that may be available to such Party.

13.9 This Agreement (including the exhibits and schedules hereto) constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all previous agreements and understandings between the Parties with respect to such subject matter, whether written or oral, including, but not limited to all proposals, negotiation, conversations, letters of intent, memoranda of understanding or discussions, between the Parties relating to the subject matter of this Agreement and all past dealing or industry custom.

13.10 This Agreement may be altered, amended, or changed only by a writing making specific reference to this Agreement and the clause to be modified, which amendment is signed duly by authorized representatives of ABL Bio and I-Mab.

13.11 Nothing in this Agreement shall be deemed to constitute the grant of any license or other right in either Party, to or in respect of any product, trademark, confidential information, trade secret or other data or any other intellectual property of the other Party except as expressly set forth herein.

13.12 None of the provisions of this Agreement shall be for the benefit of or enforceable by any Third Party, including, but not limited to, any creditor of either Party.

13.13 This Agreement shall be deemed to have been drafted jointly by both Parties; and ambiguities, if any, shall not be construed against either Party, irrespective of which Party may have actually drafted the ambiguous provision.

13.14 This Agreement may be executed in counterparts, each of which, when executed, shall be deemed an original and all of which together shall constitute one and the same document.

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IN WITNESS WHEREOF, I-Mab and ABL Bio, by their duly authorized officers, have executed this Collaboration Agreement as of the Effective Date.

ABL Bio	**I-Mab**
/s/ **ABL Bio**	/s/ **I-Mab**

Appendix 1

ABL Bio Parental Antibody and BsAb Technology Description and Patent Rights

[***]

Appendix 2

I-Mab Parental Antibody Description and Patent Rights

[***]

Appendix 3

Early Development Plan

[***]

Appendix 4

Late Development Plan

[***]

Appendix 5

IP Ownership, Costs Sharing, Income Sharing, Royalty Sharing, and

Calculation Examples

[***]

Appendix 6

Press Release

[***]

Contract Number:

Product Development Agreement of TG103 Project Between I-Mab Biopharma (Shanghai) Co., Ltd. and CSPC Baike (Shangdong) Biopharmaceutical Co., Ltd.

December 10th, 2018

This Intellectual Property Licensing and Product Development Agreement ("this Agreement") is signed by and between the following parties on December 10th, 2018:

I-Mab Biopharma (Shanghai) Co., Ltd., registered address: *** ("**I-Mab Biopharma**"); and

CSPC Baike (Shangdong) Biopharmaceutical Co., Ltd., registered address: *** (hereinafter referred to as "**CSPC Group**").

Each of I-Mab Biopharma and CSPC Group may be hereinafter individually referred to as "one party", "each party" or "the Parties" and collectively as "both parties".

WHEREAS,

1. I-Mab Biopharma is an innovative biopharmaceutical research and development company in the fields of autoimmune diseases, oncology immune and immune-mediated inflammatory diseases, who owns the rights of regional development and commercialization of **TG103** and related intellectual property rights in China. I-Mab Biopharma is seeking strategic partners for product development and commercialization in China.
2. CSPC Group is one of the leading comprehensive pharmaceutical companies in China, with product pipeline in innovative drugs and professional product marketing ability, who has synergy with I-Mab Biopharma's development areas.

Parties are willing to carry out strategic cooperation on **TG103** products, and develop and commercialize **TG103** products for the treatment of type 2 diabetes mellitus and all indications related to this product in the territory.

THEREFORE, the parties have reached the following agreements, which shall be abided by both parties.

1. DEFINITIONS RELATED TO THIS AGREEMENT

1.1 **Affiliate**: refers to: (1) Any company or business entity in which one party directly or indirectly owns fifty percent (50%) or more of its shares; or (2) any company or business entity that directly or indirectly owns fifty percent (50%) or more shares of one party; or (3) any company or business entity directly or indirectly controlled by the company or business entity as described in (1) or (2); to refer to any company or business entity, as described in (1), (2) and (3), as the "Affiliate" of a party, a relevant written notice shall be issued by the party to the other party and inform the other party about the Affiliate in the notice.

Certificate of ownership of property rights of I-Mab Biopharma and its Affiliates and TG103 Project can be found in Annex 3.

1.2 **Third-party:** refers to parties other than (1) Party A and its Affiliates; and (2) Party B and its Affiliates.

1.3 **TG103 product**: refers to the long-acting recombinant GLP-l Fc fusion protein injection (including related patents) developed by I-Mab Biopharma based on the technology of hyFc technology platform.

For the avoidance of doubt, the **TG103** project is the same as the project underlying "Clinical Approval of **TG103** for Injection approved by the **CDE** in China with the approval number of **2018L02834**". The clinical approval and product structure and sequence of the project are shown in Annex 1.

1.4 **Patent**: Each party's patent applications or patents of TG103 and its related patents (including divisional applications and acquired patent rights).

1.5 **Proprietary technology**: refers to non-public technology and other information owned by the parties, including but not limited to concepts, discoveries, data, designs, molecular formulas, R&D plans, test and detection designs, test and test results, processes, test records, and data of chemistry, pharmacodynamics, toxicology, clinical, analytical and quality control, data analysis, reports and summaries.

1.6 **Genexine's intellectual property**: refers to the patented hyFc platform of **Genexine, Inc.**, a Korean company, and the patents related to the licensed products granted by Genexine, Inc. to I-Mab Biopharma to use and sublicense (details of Genexine's intellectual property rights can be found in Annex 2 of this Agreement). **hyFc** platform refers to that a Fc fragment of **IgG4** fused with the amino acid sequence of the target protein as defined in the Chinese Patent No. 201410851771, where amino acids at the position of 231-240 on **IgG4** are replaced by the **CH2** domain of **IgD**, thereby forming a long-acting protein drug with a longer half-life than the current protein, and the fusion protein formed only has a FcRn site without Fcy Rs binding sites, avoiding stimulating cell lysis and producing immunogenicity. This **Fc** structure of **IgD/IgG4** is the **hyFc** platform.

1.7 **Licensed compound**: refers to a long-acting recombinant GLP-l Fc fusion protein. The molecular structure and sequence of the fusion protein are presented in the Annex I.

1.8 **Licensed intellectual property rights:** refers to I-Mab Biopharma's patents and proprietary technologies related to the licensed compounds and licensed products.

1.9 **New intellectual property rights:** refers to any improvement, enhancement, modification or change of the patents and proprietary technology related to the development and production of the licensed compounds and licensed products after the date of this Agreement.

1.10 **Licensed products**: refers to one or more pharmaceutical (including diagnostic) products, including or containing (1) **TG103**, alone or in combination with one or more of any and all other forms of active ingredients, current and future formulations , dosage forms and dosages, and methods of administration; or (2) any fragment (including antigen binding regions or sequences or portions), variations, improvements, modifications or derivatives thereof.

1.11 **Treatment field:** refers to type 2 diabetes mellitus, including combination therapy with other pharmaceuticals for type 2 diabetes mellitus and all potential indications of the product.

1.12 **Territory**: refers to the People's Republic of China, excluding Hong Kong, Macao and Taiwan.

1.13 **BLA Approval/Market Approval:** refers to the first-time marketing approval of the licensed product in the treatment area in the territory obtained from the drug regulatory agency.

1.14 **Reasonable commercial efforts:** refers to that the efforts and resources used in the development and commercialization of the licensed products shall be consistent with the efforts and resources used by companies of similar size in the pharmaceutical industry during similar product development and commercialization phases.

1.15 **First commercial sale:** refers to the first sale or consumption of a licensed product to a third party for final use in the territory.

1.16 **Net sales revenue**: refers to the total amount of invoices issued by CSPC Group and its Affiliates and sub-licensees to unrelated third parties for the sale of products in the applicable areas, after deducting the following deductions relating to the sale of products in the applicable areas (if included in the total sales price of the products invoiced or directly paid or assumed by CSPC Group and its Affiliates and sub-licensees): (1) allowed discounts of trade, quantity and cash; (2) any discounts, refunds, rebates, price adjustments or any other similar subsidies (excluding salesperson commissions) that in substance reduced the net sales prices, and are compliant with China's Generally Accepted Accounting Principles and applicable jurisdiction laws; (3) recycling and subsidy of licensed products; and (4) any value-added tax levied on licensed products.

2. PURPOSE AND APPROVAL OF THE AGREEMENT

2.1 I-Mab Biopharma warrants to own the following rights and shall provide proof for such ownership:

(1) Description of intellectual property rights owned by I-Mab Biopharma: Fusion polypeptide containing glucagon-like peptide-1 and immunoglobulin hybrid Fc and its application; Patent Application Number CN2010101771.1 and CN2015800643.8

(2) Description of technology owned by I-Mab Biopharma: possession of patented technology and technology secrets, the licensed products can be produced independently and effectively by the CMO company designated by I-Mab Biopharma.

2.2 The purposes of this Agreement to be entered into by and between CSPC Group and I-Mab Biopharma (Tianjin) Co., Ltd. are:

(1) The exclusive licensing of I-Mab Biopharma to CSPC Group for the use of patented technology owned by I-Mab Biopharma; and

(2) Transfer of production technology (not inferior to the current technical level of this licensed compound) and process to the CSPC Group and in coordination with the CSPC group for technical optimization.

2.3 Subjecting to the terms and conditions of this Agreement, I-Mab Biopharma grants CSPC Group in the territory the exclusive, sole, non-transferable, irrevocable and sub-licensable license of the intellectual property rights during the valid term of this Agreement, so as to develop and commercialize the licensed compound(s) and licensed product(s) within the territory.

2.4 The CSPC Group may grant sub-licenses in the territory, but prior written consent of I-Mab Biopharma (I-Mab Biopharma shall not unreasonably refuse to agree) shall be the condition precedent for such sub-licenses (except for sub-licnesing to the Affiliates of the CSPC Group), and shall be subject to the restrictions on the CSPC Group as well as the obligations the CSPC Group under this Agreement.

2.5 If, during the valid term of this Agreement, part or all of the licensed intellectual property rights become invalid, and the invalidation is not due to the violation of the relevant statements, guarantees and commitments made by I-Mab Biopharma in this Agreement, this Agreement shall continue to be in force with respect to any other valid intellectual property rights. In this case, during the valid term of this Agreement, the CSPC Group shall continue to be obliged to pay the fees agreed upon by both parties under Article 3 of this Agreement for the licensing of intellectual property rights (including patents and proprietary technologies) under this Agreement.

3. PAYMENTS AND PAYMENT METHOD

3.1 Upfront payment

The upfront payment is RMB15.0 million (capital: RMB fifteen million yuan), and CSPC Group will pay the upfront payment within 30 (thirty) days after the entry into force of this Agreement. The upfront payment will not be refunded for any reason except for the reasons specified in paragraph 7.3.1 of this Agreement.

3.2 Developmental milestone payments

3.2.1 CSPC Group will pay milestone payments to I-Mab Biopharma within 30 (thirty) days after the following milestones are achieved:

Serial No.	Milestone Event	Milestone Payment (Unit: RMB)
1	Authorized development changes for clinical approval	RMB15 million (RMBfifteen million)
2	Completion of production process transfer	RMB10 million (RMB ten million)
3	Phase II clinical end point	RMB25 million yuan (RMB twenty-five million)
4	Phase III clinical end point	RMB35 million (RMBthirty-five million)
5	**BLA Approval / Market Approval** Market Approval	RMB50 million yuan (RMBfifty million)

3.2.2 Determination of milestone event realization

CSPC Group shall notify I-Mab Biopharma immediately when the above milestone events have been achieved. If the CSPC Group fails to notify I-Mab Biopharma of the achievement of the milestone event, but I-Mab Biopharma has reason to believe that the milestone should be achieved, I-Mab Biopharma may inform the CSPC Group in writing, and both parties shall immediately meet to discuss the matter about the realization of the milestone event. Disputes over the realization of milestone events may be resolved by means of dispute resolution under this Agreement.

3.3 Sales commission

3.3.1 Percentage of sales commission

Within the sales commission period, the CSPC Group will pay sales commission to I-Mab Biopharma in accordance with the percentage of sales commission agreed in the following table on the basis of the annual net sales revenue of licensed products in the calendar year:

Serial No.	Annual Net Sales Revenue of Licensed Product(s) (Unit: RMB)	Percentage of Sales Commission
1	Less than RMB500 million (including this number)	5%
2	RMB500 million to RMB1 billion (including these numbers)	8%
3	RMB1 to RMB2.5 billion (including these numbers)	9%
4	More than RMB2.5 billion	10%

3.3.2 The term of commission of the product shall be the following, whichever later:

(1) Later patent expiration date of licensed product patent application No. 201410851771.1 and 201580071643.8 (the ultimately authorized GLP-1's claims part) in the territory; or

(2) Ten (10) years after the first commercial sale of licensed products in the territory.

3.4 Tax duties

The above-mentioned upfront payment, milestone payments and sales commission paid/to be paid by CSPC Group do not include value added tax, and the value-added tax shall be borne by CSPC Group. Other taxes shall be borne by both parties in accordance with the law.

3.5 Invoice

Within 30 (thirty) working days after the receipt of the upfront payment, milestone payment and sales commission payment, I-Mab Biopharma shall issue a special VAT invoice with a tax rate of 6% or the applicable tax rate in accordance with the laws at that time to the CSPC Group. The CSPC Group shall pay the corresponding tax to I-Mab Biopharma 30 (thirty) working days after receipt of the invoice.

3.6 Accounting books and records

3.6.1 The CSPC Group shall keep complete and appropriate accounting records and books, including financial receipts and monthly and quarterly accounting statements showing the sales, deductions, net sales revenue and other quantities and descriptions of the licensed product it sells, in accordance with relevant laws and regulations of China.

3.6.2 The above accounting records and books shall be kept separately from all other records and books not related to the licensed product and shall be subject to inspection by I-Mab Biopharma or its duly authorized representative or agent.

3.6.3 The CSPC Group shall allow I-Mab Biopharma (or its representative) to check, audit and inspect all account books, records, audit reports, documents and other matters related to the production and sale of the licensed product in a reasonable time at most once every year, and the expenses shall be borne by I-Mab Biopharma. The manner and time of the above-mentioned checking, auditing and inspection shall not adversely affect the operation of CSPC Group or the sales of the licensed and transferred products, and the results of such checking, auditing and inspection shall be kept confidential.

4. RESEARCH AND DEVELOPMENT

4.1 Obligations of CSPC Group

4.1.1 General agreement:

CSPC Group has the final decision on the development of licensed compounds and licensed products in the therapeutic field in the territory, including related research and development, clinical trials and registration activities.

4.1.2 Accountability:

The CSPC Group shall make reasonable commercial efforts to develop licensed compounds and licensed products to commercialize them in the territory as soon as possible. Such development should be carried out according to the research and development plan jointly determined by both parties. The CSPC Group shall make reasonable commercial efforts to implement the R&D plan in order to obtain marketing license for the licensed products in the field of treatment in the territory as soon as possible. Any change to the R&D plan shall be discussed and agreed by the Joint Development Committee.

4.2 Obligations of I-Mab Biopharma

4.2.1 I-Mab Biopharma is not allowed to develop for itself or for others the long-acting recombinant GLP-1 Fc fusion proteins and products with competitive mechanism at the same targets based on the technology of hyFc technology platform in the territory.

4.2.2 In order to ensure the development of licensed products in the field of treatment in the territory, I-Mab Biopharma should continue to assist the CSPC Group in completing the pre-clinical study of the licensed products required by the Chinese drug approval departments, and provide all the research records and data.

4.2.3 I-Mab Biopharma shall make reasonable commercial efforts to assist in the transfer of licensed products to the production technology of CSPC Group. The technical indicators of production technology transfer shall not be lower than the existing technical level. The plan and acceptance criteria of production technology transfer are listed in Annex 5.

4.2.4 I-Mab Biopharma shall make reasonable commercial efforts to assist or guide the CSPC Group in continuous optimization of production process of the licensed product.

4.3 Project leader:

Within 30 (thirty) days from the date of signing this Agreement, each party shall appoint the corresponding project leader and shall notify the other party in writing in time. Each party shall notify the other party in writing in time when replacing its project leader. The project leaders will be responsible for facilitating the communications and coordinating in actions between the parties in accordance with the terms of this Agreement.

5. COMMERCIALIZATION

5.1 General agreement:

CSPC Group has the final decision on the commercializtion of the licensed compounds and licensed products in the therapeutic field in the territory.

5.2 Accountability:

CSPC Group shall make reasonable commercial efforts to start the marketing and sales activities of the licensed products within a reasonable time after obtaining the sales license from the governmental departments.

5.3 Reporting:

CSPC Group shall provide summary report of the commercialization activities of its licensed products for the preceding six-month period on semi-annual basis.

6. JOINT DEVELOPMENT COMMITTEE

6.1 Both parties agree to establish a Joint Development Committee (JDC) to monitor and coordinate the actions of the parties and promote communications and cooperation between the two parties. The JDC is specifically responsible for: (1) Supervising the progress of development activities; (2) Discussing the issues of safety, scientific and technical issues arising from the development of licensed products; discussing and proposing solutions for any delays or overdue delays in the development protocol; and (3) Performing other appropriate functions and making other appropriate decisions in accordance with the written consent of both parties.

6.2 Composition of the JDC: The JDC consists of 4 (four) members, 2 (two) appointed by each Party. Members of the JDC should have the appropriate technical capabilities, industry experience and knowledge. Within thirty (30) days from the date of signing this Agreement, each party shall appoint the initial members of the JDC and notify the other party in writing in a timely manner. If one party replaces the appointed member(s) of the JDC, the other party shall be promptly notified in writing. The JDC has two co-chairs, one appointed by the CSPC Group and one by I-Mab Biopharma.

6.3 The duties of the Co-Chairs are responsible for convening and presiding over the JDC meetings and preparing the minutes of the JDC meetings.

6.4 JDC meetings: The JDC will decide for itself when to convene a JDC meeting, but at least once every quarter. The JDC Meetings may be convened in the form of meetings by person, teleconferences or videoconferences, but at least one meeting by person shall be held in each calendar year. Each party shall bear the cost of its participation in the JDC meetings. Members of each party who are not members of the JDC may be invited to participate in the JDC meetings as required.

7. INTELLECTUAL PROPERTY RIGHTS

7.1 Background intellectual property rights

7.1.1 The licensed intellectual property rights of I-Mab Biopharma, Genexine's intellectual property rights and all intellectual property rights of the CSPS Group on the effective date of this Agreement shall be owned by each party. I-Mab Biopharma is responsible for the preparation, application, implementation and maintenance of the patents for TG103 product. Since the entry into force of this Agreement, all fees incurred in the Territory for the implementation and maintenance of the patents of TG103 product will be paid by the CSPC Group to I-Mab Biopharma on the basis of invoices provided by I-Mab Biopharma.

7.1.2 I-Mab Biopharma shall grant sub-licensing of Genexine's intellectual property rights to CSPC Group for the development of TG103 product.

7.2 New intellectual property rights

Both parties agree that in the term of this Agreement, both parties shall have the right to continuously improve and optimize the licensed products or licensed compounds, including, but not limited to, process improvement, quality improvement, extension of the scope of application of the licensed products or licensed compounds, and extension of the mode of application of the licensed products or licensed compounds. For the new intellectual property rights arising from the implementation of the above-mentioned improvements, the parties agree as follows: I-Mab Biopharma will grant the license of its new intellectual property rights generated by the implementation of the above-mentioned improvements for exclusive and free use to the CSPC Group in the territory, and the CSPC Group is responsible for paying the application and maintenance fees for the new patents in the territory; the new intellectual property rights generated by the implementation of the above-mentioned improvements by the CSPC Group belong to the CSPC Group.

7.3 Claims and infringement

7.3.1 I-Mab Biopharma shall guarantee that it has the complete rights to the licensed TG103 project, including license, sub-license, patent application right and patent right. After the entry into force of this Agreement, it shall guarantee that the CSPC Group shall acquire and enjoy the right of free implementation. If a patent authorization for the licensed compound is not obtained from China Intellectual Property Office, or if the CSPC Group fails to exercise its right of free implementation, the CSPC Group has the right to unilaterally terminate/end this Agreement, or continue to license the product development of the compound, or implement this Agreement and perform all rights and obligations. In case the CSPC Group terminates this Agreement for the above reasons, it may issue a Contract Termination Letter to I-Mab Biopharma by entrusted attorney. I-Mab Biopharma shall refund the full amount paid by the CSPC Group within 30 natural days after receiving the Letter.

7.3.2 If a third party submits a claim of any nature claiming that the licensed intellectual property rights used by the CSPC Group infringe or may infringe upon its patent or other proprietary rights, or that there are facts that may lead to such claims, the CSPC Group shall notify I-Mab Biopharma immediately when it knows such claims or facts. However, the CSPC Group shall not take any action related to such claims or infringements without obtaining the written consent of I-Mab Biopharma. I-Mab Biopharma shall notify the CSPC Group within three calendar days whether it intends to defend against such claims. If I-Mab Biopharma chooses to make a defense, I-Mab Biopharma shall, in its own name or in the name of the CSPC Group (as the case may be), exclusively control the defense and bear the expenses, but the CSPC Group shall give all reasonable assistance to I-Mab Biopharma for this purpose. If I-Mab Biopharma chooses not to make a defense, the CSPC Group shall have exclusive control over the defense and bear the expenses by its own, but I-Mab Biopharma shall give all reasonable assistance to CSPC Group for this purpose.

7.3.3 If a third party submits any claim for the licensed intellectual property rights stated in Paragraph 7.3.1 and the CSPC Group suffers any claim, loss or damage as a result of such claim, unless such claim, loss or damage is caused by the violation of the obligations of this Agreement by the CSPC Group or the failure for CSPC Group to use the licensed intellectual property rights in accordance with the provisions of this Agreement, I-Mab Biopharma shall make compensation to the CSPC Group and bear the responsibility of making compensation with and bear the related expenses for the CSPC Group. Notwithstanding the above provisions, the total amount of the liability of I-Mab Biopharma shall not exceed the sum of the following items: (1) the upfront payment actually received by I-Mab Biopharma in accordance with the terms of this Agreement; (2) any milestone payments actually received by I-Mab Biopharma in accordance with the terms of this Agreement; and (3) any other payments actually received by I-Mab Biopharma in accordance with the terms of this Agreement.

7.3.4 If the CSPC Group learns any information about third party infringement or possible infringement of the licensed intellectual property rights of I-Mab Biopharma, it shall immediately notify I-Mab Biopharma. However, the CSPC Group shall not take any action related to such infringements without obtaining the prior consent of I-Mab Biopharma. I-Mab Biopharma shall consult with the CSPC Group within three working days after receiving the notification from the CSPC Group to determine that one party shall take legal action and the other party shall give all reasonable assistance. In the meantime, if negotiations fail, the CSPC Group has the right to unilaterally take measures to safeguard its rights. If either party takes legal action, the two parties may negotiate the share of expenses and the attribution of compensation.

7.3.5 If I-Mab Biopharma decides not to take action under Paragraph 7.3.4 above, the CSPC Group may bring lawsuit against the infringing party at its own expense after obtaining written consent from I-Mab Biopharma, and I-Mab Biopharma shall give all reasonable assistance as required by the CSPC Group. All compensation that may be obtained by the CSPC Group for taking action on third-party infringements is owned by the CSPC Group. Notwithstanding the above provisions, the CSPC Group shall not reach compromise, settlement or agreement with any third party on the licensed intellectual property rights without the written consent of I-Mab Biopharma.

7.3.6 If a third party makes claims of any nature concerning the new intellectual property rights, the CSPC Group shall immediately notify I-Mab Biopharma of such claims or facts. The CSPC Group has the right to take any action related to such claims or infringements and to inform I-Mab Biopharma in a timely manner. If the CSPC Group waives to take action or make defense, I-Mab Biopharma has the right to decide whether to take action or raise defense in its own name, but the CSPC Group shall give all reasonable assistance to I-Mab Biopharma for this purpose.

7.3.7 One of the parties to this Agreement shall not be liable for any special, incidental or indirect damages suffered by the other party as a result of the contract, intellectual property infringement, breach of warranty or other agreements.

8. INFORMATION EXCHANGE

Data sharing mechanism between the two parties: I-Mab Biopharma will coordinate with Genexine to share clinical study protocols and data, all clinical trials protocols, trial data and conclusions with the CSPC Group in China and beyond, to support the global clinical development and commercialization of the licensed product(s).

9. REPRESENTATION AND WARRANTIES

9.1 The parties hereby mutually represent and warrant that: (1) It is a validly existing entity under the applicable laws of its jurisdiction; (2) It has the necessary authorization to complete the services under this Agreement, including but not limited to the approval of relevant government departments or other institutions, and it has sufficient capacity, rights and powers to implement and deliver this Agreement and to fulfil its obligations under this Agreement; (3) This agreement, upon its conclusion, shall constitute a legally enforceable, valid and binding agreement; (4) No violation of applicable laws and regulations occurred during the negotiation and facilitation of the signing of this Agreement by each party or its affiliated companies; (5) Each party warrants compliance and ensures that its affiliates that may participate in this Agreement comply with applicable laws and regulations in the performance of this Agreement; (6) The execution of this Agreement by each party or its affiliated company shall not conflict with any obligations it may assume to any other person or the rights and obligations under any other agreement it may sign; and (7) In case of becoming aware of any violation of this Term, the Party shall immediately notify the other party. If one party violates the representations and warranties, the other party shall be compensated for the loss.

9.2 To the knowledge of I-Mab Biopharma, there are no pending or potential claims or investigations for the licensed intellectual property rights. To the knowledge of I-Mab Biopharma, the license under this Agreement does not violate the relevant legal provisions or the rights of any third party. To the knowledge of I-Mab Biopharma, the production, use and sale of licensed products will not infringe upon the intellectual property rights of any third party in the territory.

10. TERMINATION

10.1 This Agreement shall come into force immediately upon signature by both parties and shall have full legal effect during the validity of this Agreement unless terminated in advance in accordance with this Agreement, provided that such termination shall not affect:

(1) The rights and obligations already enjoyed and assumed by the parties on the date of termination; or

(2) the continued existence and validity of the rights and obligations of the parties under the terms and conditions intended to survive termination and the provisions necessary for the interpretation or execution of this Agreement.

10.2 Unless otherwise provided in this Agreement, this Agreement may be terminated in the following circumstances,

10.2.1 Unless otherwise specified, if one party seriously violates this Agreement, the other party may terminate this Agreement by giving notice to such effect. If such breach could be corrected, but the defaulting party fails to make such correction within 60 (sixty) days after receiving the notification, this Agreement may be terminated.

10.2.2 In case the force majeure lasting for 6 (six) months or other events that render the purpose of this Agreement unachievable cause the CSPC Group to stop the research, development, production and sale of the licensed products, and the parties fail to find a fair solution, either party may notify the other party to terminate this Agreement;

10.2.3 If a party becomes bankrupt or insolvent, or is subject to liquidation or dissolution procedures or arrangements, or ceases to operate, or is unable to pay the debts due, the other party may terminate this Agreement by giving notice;

10.2.4 If, for the reasons of the CSPC Group, the CSPC Group fails to obtain the approval or registration from the regulatory authority required to sell the Licensed Products in the territory in accordance with the business plan and timetable approved from time to time by its board of directors, or the CSPC Group ceases to engage in the licensed product development or product registration in accordance with the written resolution of its board of directors, I-Mab Biopharma may terminate this Agreement by issuing a notice to the CSPC Group.

10.3 Upon the termination/ending of this Agreement for any reason, the CSPC Group shall immediately stop using the licensed intellectual property rights provided by I-Mab Biopharma and stop producing the licensed products. CSPC Group shall promptly transfer to I-Mab Biopharma all relevant data, information, cell lines, production processes and clinical samples of the licensed compounds and licensed products owned by the CSPC Group.

10.4 Payment by the CSPC Group shall be suspended if this Agreement is terminated/ended by Clause 10.2.

10.5 CSPC Group shall return all the licensed intellectual property rights to I-Mab Biopharma upon the early termination of this Agreement, including improved technology and technical documents related to the licensed intellectual property rights provided by I-Mab Biopharma that are recorded in any material form (including but not limited to any written records). CSPC Group, on behalf of itself and its employees, agrees that, at the time of termination or expiration of this Agreement and beyond, copies of the licensed intellectual property rights in any form of materials or technical documents related to the licensed intellectual property rights shall not be made or retained, except for the purpose of archival retention.

10.6 Within 6 months after the signing of the Agreement, I-Mab Biopharma will solve all intellectual property issues stated in Annex 6. Otherwise, I-Mab Biopharma will be deemed to have violated the agreements in Clause 7.3.1, and the CSPC Group has not obtained and enjoyed the right of free implementation. The CSPC Group will have the right to terminate this Agreement. I-Mab Biopharma will assume the liability for breach of contract within 30 days after receipt of the termination document in accordance with the agreements of Clause 7.3.1 by refunding the contractual amount of money that CSPC Group has paid. CSPC Group shall return all the licensed intellectual property rights to I-Mab Biopharma, including improved technology and technical documents related to the licensed intellectual property rights provided by I-Mab Biopharma that are recorded in any material form (including but not limited to any written records).

11. FORCE MAJEURE

11.1 Force majeure event means any event that the Parties could not be expected to foresee, or, even that is predictable, but unavoidable, that is entirely beyond the control of the Parties, and that prevents the obligations of the Agreement from being performed fully or partially by either Party. Such incidents include, but are not limited to, stoppages, explosions, accidents, acts of natural disasters or public enemies, fires, floods, accidents, war riots, rebellions and any other similar probable events.

11.2 In the event of force majeure, which prevents both parties from fulfilling any contractual obligations under this Agreement, such contractual obligations shall be suspended during the period of delay in performance due to force majeure, and the time of performance of such contractual obligations shall automatically be extended to the time equivalent to the suspension of such events without penalty.

11.3 The party subject to force majeure shall notify the other party within 15 (fifteen) days of the occurrence of the event concerned and provide the other party with an effective proof of the occurrence of force majeure. Within a reasonable period thereafter, the party subject to force majeure shall provide the other party with evidence of the occurrence of force majeure issued by the relevant agency. The party subject to force majeure shall also make every reasonable effort to reduce the impact of such force majeure.

11.4 After occurrence of the event of force majeure, both parties shall consult immediately to agree on a fair solution (which may include early termination or extension of the term of this Agreement) and shall make every reasonable effort to reduce the consequences of such force majeure.

12. CONFIDENTIALITY AND PUBLICITY

12.1 Confidential information.

Confidential Information means all information and materials disclosed by one party or on behalf of the party or its affiliates or their related persons (“Disclosing Party”) to the other party or its affiliates or their related persons (“Recipient”). Confidential information includes all the contents agreed upon in this Agreement, the existence, terms and purposes of this Agreement, the nature of any dispute, the results of any arbitration proceedings arising out of or relating to this Agreement, and all information and materials involved in the implementation of this Agreement, including but not limited to the nature of the project, test contents and progress, samples, programs, skills, amounts of money, materials, information, products, plans, technologies, data, experiments, market data, marketing, finance, sources of supply, business information, business plans, forecasts, structures, concepts, methods, methodologies, procedures, experiments, models, tests, original atlas, photographs, proprietary skills, technical know-how, inventions, patent applications, patent applications and any other documents and information, or information concerning third parties that are under the obligation of confidentiality of the Disclosing Party, whether the information is disclosed by the Disclosing Party to the Recipient in writing, orally or otherwise.

12.2 Confidentiality obligations.

Unless otherwise provided in this Agreement, the Recipient shall, and shall ensure that its relevant personnel, (1) keep confidential of the confidential information during the term of this Agreement, and this obligation of confidentiality shall remain valid after the expiration or termination or ending of this Agreement until the confidential information is legally disclosed or the Disclosing Party notifies the Recipient in writing that it is not bound by this obligation of confidentiality; (2) not use the confidential information except for the purpose of fulfilling this Agreement; (3) not disclose the confidential information to any third party, except for (1) those persons who need to know the service-related confidential information, provided that the Recipient shall be obliged to oblige the persons concerned to abide by the Agreement and bear liability for the violation of this confidentiality obligation by the persons concerned; and (2) inspection, disclosure or other activities required by government agencies, judicial procedures (including, but not limited to, the extent to which litigation, arbitration or responding, arbitration defenses are reasonably necessary), securities exchanges or relevant legal requirements

To the extent permitted by law, the Recipient shall promptly notify the Disclosing Party in writing, and through reasonable efforts to ensure that the confidential information is treated confidentially, and cooperate with the Disclosing Party to take reasonable measures to minimize the confidential information that may be disclosed, but the scope of the above disclosure shall be controlled within the necessary limits. The Recipient agrees to take any feasible measures to protect the confidentiality of confidential information to a level not less than that of its own confidential content or content of the same nature, and to avoid unauthorized disclosure and use. The obligations under this Clause 12.2 shall continue to be performed after the termination or ending or expiration of this Agreement. Notwithstanding the foregoing, the existence of this Agreement and its non-technical terms may be disclosed in a confidential manner as a result of potential financing or acquisition.

12.3 Exception to confidentiality.

The obligations provided under Clause 12.2 do not apply to the following circumstances: (1) Confidential information is public knowledge or the confidential information that is not publicly known as a result of the fault or breach of contract of the Recipient or its related personnel; (2) the Recipient can provide evidence to prove that it or its relevant personnel have legally known the confidential information before the Disclosing Party disclose it to the Recipient; (3) the Recipient may provide evidence that it or its related personnel legally acquired such confidential information from a third party that has no obligation to keep confidentiality to the Disclosing Party or its associated personnel, in a manner of not violating the confidentiality obligations of this Agreement; or (4) the Recipient can provide evidence that the it or its related personnel has not relied on the confidential information and that the confidential information has not been independently developed by the Recipient in violation of this Agreement.

12.4 Return of confidential information.

Within 30 days after the termination or ending or expiration of this Agreement, the Recipient shall, at the written request of the Disclosing Party, return all Confidential Information to the Disclosing Party (including any form of photocopy or reproduction), or immediately destroy it in its entirety, and shall provide the Disclosing Party with proof of its destruction of the information and materials; However, where prior written consent of the Disclosing Party is obtained and used for the sole purpose of this Agreement and the obligation of confidentiality is assumed, the Recipient has the right to retain the corresponding confidential information for the purpose of legal archiving .

12.5 Publishing.

The parties hereto shall and shall ensure that their relevant personnel strictly keep confidential the confidential information under this Agreement. Before obtaining the written permission of the other party, neither party shall disclose or permit any third party to contact, know, learn, utilize or use any of the confidential information for any purpose or in any way, nor shall any content of confidential information under this Agreement be published in articles or otherwise made public.

12.6 Publicity.

Without the prior written consent of the other party, neither party shall, and ensure that its relevant personnel will not, use the name, trademark, trade name, symbol or logo of the other party in any advertisement or propaganda materials.

13. COMPENSATION

13.1 One Party hereto shall protect, compensate and ensure that the other Party and its affiliated companies and its and their directors, personnel, employees, agents, subcontractors and consultants, as well as legal, financial, accounting, consultants and other consulting parties who need to know the information, are not harmed and exempt from liability and damages (including reasonable attorney's fees) arising from third party claims, requirements, lawsuits or procedures.

13.2 In any case, the liability for damages suffered by either party to this Agreement for the other party does not include indirect loss, incidental loss and expected loss of profits.

14. APPLICATION OF LAW AND DISPUTE RESOLUTION

14.1 The validity, interpretation, performance and other related matters of this Agreement shall be governed by the laws of the People's Republic of China and the principles of conflict of laws shall not invoke.

14.2 The parties to this Agreement shall negotiate in good faith to resolve any disputes arising from or related to this Agreement. The negotiation shall begin immediately after one party submits a request for negotiation to the other party. If the dispute cannot be resolved within 30 days from the date of submission of the request for consultation, either party may submit the dispute to the Beijing Branch of the China International Economic and Trade Arbitration Commission (CIETAC) for arbitration in accordance with the CIETAC Arbitration Rules in force at the time of submission. The place of arbitration is Beijing. The official language of arbitration is Chinese. The arbitral tribunal shall consist of an arbitrator appointed by CIETAC. The arbitration procedure is confidential, and the arbitrator may issue appropriate protection orders to protect the confidential information of the parties. The arbitral award shall be final and binding upon the parties. The parties may apply to the court of competent jurisdiction for enforcement of the arbitral award.

15. INDEPENDENT CONTRACTORS

Both parties are independent contractors, and no provision of this Agreement shall, for any reason, make one party an agent, partner, legal representative, principal or employee of the other party. Except as otherwise expressly provided in this Agreement, neither party shall have the right to bind the other party.

16. THE TERM OF THIS AGREEMENT AND THE RIGHTS OF BOTH PARTIES AFTER THE EXPIRATION OF THIS AGREEMENT:

The term of this Agreement begins on the date of signature and expires at the end of the product commission period. After the expiration of this Agreement, both parties shall continue to abide by the confidentiality obligations stipulated in Article 12 of this Agreement. In the event that the CSPC Group fully fulfills its obligations under this Agreement, after the expiration of this Agreement, the CSPC Group will fully enjoy the full ownership of the Licensed Products and/or Licensed Compounds in the territory, including but not limited to technical data, research results, sales revenue, etc., I-Mab Biopharma will no longer enjoy the relevant sales commission.

17. OTHER TERMS

17.1 Transfer.

This Agreement shall be binding on both parties and their respective successors and permitted transferees.

17.2 Notice

17.2.1 Any notice under this Agreement shall be in writing and shall be deemed to have been delivered upon receipt of the notice by the intended recipient of the notice. The means of proof of receipt include: (1) if the notice is delivered by hand, the recipient's written receipt or proof of the delivery personnel, confirming that the recipient has received or refused to receive the relevant notice; (2) if delivered by registered mail or express mail (receipt thereof shall be requested) or by internationally renowned express delivery, a signed receipt or other written proof of delivery; or (3) if sent by e-mail, the electronic certification material of the sent e-mail.

17.2.2 Mailing address and contact person

I-MabBiopharma:

Address	***
Postal Code	***
Contact Person	***
E-mail Address	***

CSPCGroup:

Address	***
Postal Code	***
Contact Person	***
E-mail Address	***

17.2.3 Any change in the address and contact person of either party shall be notified to the other party in a timely manner.

17.3 Complete contract terms. This Agreement covers all the agreements between the Parties concerning the subject matter of this Agreement and supersedes all oral and written agreements, contracts, understandings, discussions, negotiations and notifications made by the Parties before signing this Agreement.

17.4 Amendments. No modification or waiver of any of the provisions contained in this Agreement or any other form of amendment to this Agreement shall be binding upon the Parties unless expressly specified and signed by both parties in writing.

17.5 No waiver. Any party’s waiver of its rights to seek relief against breach of any provision of this Agreement by the other party shall not constitute the waiver of its rights to seek relief against breach of any other provision of this Agreement by the other party. The failure or delay of either party in exercising any right under this Agreement does not constitute a waiver of that right or other rights, nor does it adversely affect such right or any other rights. The waiver of any right shall be made in writing by the waiver, otherwise it has no legal effect.

17.6 Severability If any provision of this Agreement is deemed to be invalid, illegal or unenforceable, then

(1) The term will be replaced by an effective and enforceable clause that maximizes the intentions of both parties; and

(2) All other terms of this Agreement remain in full force and effect.

17.7 Annexes to the Agreement

The Annexes to this Agreement are an integral part of this Agreement and have the same legal effect as the body of this Agreement.

17.8 This Agreement shall come into force on the date of signature and seal by the parties. This Agreement is in four copies, each party holds two copies and each copy shall has the same legal force.

Relevant Annexes:

Annex 1 Molecular Structure and Sequence of TG103
Annex 2 List of Patents Licensed to CSPC Group Included in This Agreement
Annex 3 Certificate of Ownership Issued by the Relevant Parties of Licensed Products
Annex 4 Notice of Change of Applicant/Patentee
Annex 5 Technical Indicators for Transfer of Production Technology of TG103 Products
Annex 6 List of Intellectual Property Issues Needed to be Solved by I-Mab Biopharma within 6 Months of Contract Signing

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(SIGNATURE PAGE)

Party A

CSPC Baike (Shandong) Biopharmaceutical Co., Ltd. (seal)

/s/ CSPC Baike (Shandong) Biopharmaceutical Co., Ltd.

Party B

I-Mab Biopharma (Shanghai) Co., Ltd. (seal)

/s/ I-Mab Biopharma (Shanghai) Co., Ltd.

Annex 1 Molecular Structure and Sequence of TG103

[***]

Annex 2 List of Patents Licensed to CSPC Group Included in This Agreement

[***]

Annex 3 Certificate of Ownership Issued by the Relevant Parties of Licensed Products

[***]

[***]

[***]

Annex 6 List of Intellectual Property Issues Needed to be Solved by I-Mab Biopharma within 6 Months of Contract Signing

[***]

CD38 PRODUCT COLLABORATION AGREEMENT

This **CD38 PRODUCT COLLABORATION AGREEMENT** (the **"Agreement"**) is entered into on January 22, 2018 (the **"Effective Date"**) between **I-Mab**, a company organized and existing under the laws of Cayman Islands and having its registered address at *** (**"I-Mab"**), and **EVEREST MEDICINES LIMITED,** a company organized and existing under the laws of Cayman Islands and having its registered address at *** (**"Everest"**). Everest and I-Mab are sometimes referred to herein individually as a **"Party"** and collectively as the **"Parties."**

RECITALS

WHEREAS, I-Mab is a biopharmaceutical company engaged in the research, development and commercialization of pharmaceutical products;

WHEREAS, I-Mab has entered into a License and Collaboration Agreement with MorphoSys AG (**MorphoSys**), dated November 30, 2017 (the "**MorphoSys License**"), pursuant to which it has obtained a license from MorphoSys to develop and commercialize MorphoSys' proprietary CD38 antibody in the greater China region;

WHEREAS, Everest wishes to share the cost for the development of such product, and I-Mab is willing to share the economic interest in such product with Everest, all on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises, covenants and conditions contained in this Agreement, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

As used in this Agreement, the following initially capitalized terms, whether used in the singular or plural form, shall have the meanings set forth in this Article 1.

1.1 "**Affiliate**" means, with respect to a Party, any corporation, firm, partnership or other entity, which directly or indirectly controls or is controlled by or is under common control with such Party. For the purpose of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under the common control") means the actual power, either directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of such entity, whether by the ownership of more than fifty percent (50%) of the voting stocking of such entity, by contract or otherwise.

1.2 "**CD38 Compound**" means MorphoSys' anti-CD38 Antibody designated as MOR03087 or MOR202, as further described in **Exhibit A** and any fragment (including antigen binding domain or sequence or portion), conjugate, variant, improvement, modification, progeny or derivative thereof (including CD38 Compound conjugated, bound, expressed as fusion or otherwise fused to a toxin, label, Antibody, cell or any other moiety or entity).

1.3 "**CD38 Product**" means any pharmaceutical (including diagnostic) product which constitutes, incorporates, comprises or contains a CD38 Compound, alone or in combination with one or more other active ingredients in any and all forms, presentations, in current and future formulations, dosage forms and strengths, and delivery modes.

1.4 "**Commercially Reasonable Efforts**" means those efforts consistent with the exercise of prudent scientific and business judgment in an active and ongoing program as applied by a Party to the development and commercialization of its own products at a similar stage of development and with similar market potential. Commercially Reasonable Efforts requires that a Party, at a minimum, assign responsibility for such obligations to qualified employees, set annual goals and objectives for carrying out such obligations, and allocate resources designed to meet such goals and objectives.

1.5 "**Commercialization**" (with a correlative meaning for "**Commercialize**") means all activities directed to marketing, promoting, distributing, detailing or selling the CD38 Product (as well as commercial manufacturing, importing and exporting activities in connection therewith) in the Field in the Territory, including pre-launch activities and Phase 4 Clinical Trials.

1.6 "**Commercialization Cost**" means all costs incurred by or on behalf of the Commercialization Party and its Affiliates that are reasonably allocable to the Commercialization of CD38 Product in the Field in the Territory, including Distribution Costs, Sales and Marketing Costs, Manufacturing Costs for CD38 Product for commercial sale, costs for Phase 4 Clinical Trials, and the associated taxes. Commercialization Costs shall include the Commercialization Party and its Affiliates' internal costs related to the Commercialization efforts, which shall be itemized and subject to the other Party's annual audit in accordance with Section 4.8.

1.7 "**Commercialization Party**" means the Party responsible for the Commercialization of the CD38 Product in the Field in the Territory, as determined by the JSC pursuant to Section 2.1(d).

1.8 "**Confidential Information**" of a Party means all know-how, data and other information of a financial, commercial, business, operational or technical nature of such Party that is: (a) disclosed by or on behalf of such Party or any of its Affiliates or otherwise made available to the other Party or any of its Affiliates, whether made available orally, in writing or in electronic form; or (b) learned by the other Party pursuant to this Agreement. The terms and conditions of this Agreement are the Confidential Information of both Parties.

1.9 "**Development**" (with a correlative meaning for "**Develop**") means all development activities necessary or useful to obtain or maintain Regulatory Approval for the CD38 Product in the Field in the Territory, including all non-clinical studies and clinical trials (other than Phase 4 Clinical Trials) of the CD38 Product, technology transfer, manufacture process development, manufacture and distribution of CD38 Product for use in clinical trials (including placebos and comparators), statistical analyses, and the preparation and submission of Regulatory Materials and other regulatory activities related to the CD38 Product.

1.10 "**Development Costs**" means all costs incurred by or on behalf of I-Mab or its Affiliates that are reasonably allocable to the Development of CD38 Product in the Field in the Territory, including (a) the costs of all preclinical studies and clinical trials (other than Phase 4 Clinical Trials); (b) the costs of formulation development, process development and delivery system development; (c) the Manufacturing Costs of CD38 Product for Development use, and the costs of placebos and comparator drugs for use in clinical trials of CD38 Product (calculated in the same manner as Manufacturing Costs are calculated for CD38 Product); (d) the cost of regulatory activities to obtain and maintain Regulatory Approval of CD38 Product, including the preparation and submission of all Regulatory Materials for the CD38 Product; (e) the costs in connection with the licensing of any intellectual property rights of any Third Party. Development Costs shall include I-Mab and its Affiliates' internal costs related to the Development efforts, which shall be itemized and subject to annual audit by Everest in accordance with Section 4.8.

1.11 "**Distribution Costs**" means all costs incurred by or on behalf of Commercialization Party or its Affiliate that are allocable to the commercial distribution of CD38 Product in the Field in the Territory, including: (a) handling and transportation to fulfill orders with respect to such distribution; (b) customer services, including order entry, billing and adjustments, inquiry, credit and collection, and product recall; (c) reasonable and customary fees and other amounts payable to wholesalers, specialty pharmacies and distributors with respect to such distribution; and (d) costs of storage and distribution of CD38 Product for sale in the Territory, but for clarity, excluding in each case ((a) through (d)) any such amounts to the extent included as a deduction in calculating Net Sales.

1.12 "**Field**" means CD38 Product for all indications in hematologic oncology.

1.13 "**Laws**" means all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of any federal, national, multinational, state, provincial, county, city or other political subdivision, domestic or foreign.

1.14 "**Manufacturing Costs**" means all costs incurred by or on behalf of I-Mab or the Commercialization Party (as applicable) and its Affiliates that are reasonably allocable to the manufacture of CD38 Product for Development or Commercialization use, which product is either supplied to I-Mab, or the Commercialization Party, or its Affiliates by a Third Party, or manufactured directly by I-Mab, or the Commercialization Party, or its Affiliate.

(a) For CD38 Product supplied to I-Mab, or the Commercialization Party, or its Affiliates by a Third Party, Manufacturing Costs means: (i) the amount paid by I-Mab, or the Commercialization Party, and its Affiliates to the Third Party supplier (expressed in the case of commercial units on a per unit manufactured basis) for the manufacturing and supply of such CD38 Product, plus (ii) any costs incurred by I-Mab, or the Commercialization Party, and its Affiliates for manufacturing site qualification, quality assurance and control, capital equipment, supply chain management and other manufacturing oversight activities.

(b) For CD38 Product manufactured directly by I-Mab, or the Commercialization Party, or its Affiliates, Manufacturing Costs means the actual, fully burdened labor cost of manufacturing such CD38 Product, including without limitation the costs of raw materials, labor, and other identifiable variable costs incurred or accrued by I-Mab, or the Commercialization Party, and its Affiliates in connection with the manufacture of such CD38 Product, and the proportionate share of indirect manufacturing costs and allocable fixed costs. For clarity, the fully-burdened labor costs referenced above shall be calculated on a trailing 12-month average-capacity basis with the percentage allocable to Manufacturing Costs of CD38 Product representing the number of units or runs of CD38 Product produced or performed as a percentage of the total number of units or runs, including those of other products, that have been manufactured in such facility during the applicable time period.

1.15 "**Net Sales**" means the gross amount invoiced by or on behalf of the Commercialization Party or its Affiliates (but not Third Party sublicensees) for sales of a CD38 Product to any Third Party in an arm's length transaction during the Term, less the following deductions specifically related to the CD38 Product for:

(a) customary trade, cash or quantity discounts or rebates paid or to be paid or granted, to the extent not already reflected in the amount invoiced;

(b) taxes (including, VAT, excise, consumption, sales and similar taxes and customs duties) to the extent incurred or to be incurred, paid or to be paid or collected or to be collected and remitted or to be remitted to the relevant tax authority (but specifically excluding, for clarity, any income taxes assessed against the income arising from such sale);

(c) amounts paid or to be paid or granted or to be granted on rejections, outdating, recalls or returns and the actual amount of any write-offs for bad debt (provided that any amount subsequently recovered will be as added back as Net Sales);

(d) compulsory payments and rebates related to the sale of the CD38 Product paid to a governmental authority pursuant to governmental regulations by reason of any national or local health insurance program or similar program; and

(e) freight expense and insurance, to the extent it is not charged to or reimbursed by the customer.

For clarity, the amount of any discounts, rebates or allowances granted or taken with respect to the total sales to a Third Party for multiple products of the Commercialization Party or its Affiliates shall only be deducted in a pro rata basis in calculating Net Sales (i.e. only that part of the discount, rebate or allowance amount shall be deducted that relates to sales made with CD38 Products). Any of the items set forth above that would otherwise be deducted from the invoice price in the calculation of Net Sales but which are separately charged to, and paid by, Third Parties shall not be deducted from the invoice price in the calculation of Net Sales.

Notwithstanding the foregoing, amounts billed by the Commercialization Party or its Affiliates for the sale of a CD38 Product among the Commercialization Party and its Affiliates shall not be included in the computation of Net Sales hereunder.

1.16 "**Out-license Income**" means all license payments, including applicable upfront payment, license maintenance payments, milestone payments, royalty payments, shares, and equity interests, whether in cash or in kind, received by I-Mab or its Affiliates from a Third Party sublicense based on the grant of a sublicense to such Third Party under the MorphoSys License to Develop and Commercialize the CD38 Product in the Field in the Territory, which, for the purpose of clarification, shall not include: (a) payments to fund bona fide research and development work; (b) payments for the supply of goods and services at cost, including the supply of the CD38 Product; (c) reimbursement of costs and expenses, including for patent prosecution and enforcement; (d) bona fide loans; (e) payments to purchase I-Mab or its Affiliates' equity at fair market value (for clarity, any premium paid by sublicensee in excess of the fair market value of the equity purchased shall be included in Out-License Income and Everest shall have the right to engage a Third Party appraiser to determine such fair market value).

1.17 "**Phase 4 Clinical Trial**" means a clinical trial of the CD38 Product that is initiated after Regulatory Approval has been obtained and is principally intended to support the Commercialization of the CD38 Product and not to support or maintain Regulatory Approval or otherwise obtain any labelling change approval from Regulatory Authority. Phase 4 Clinical Trial shall not include any studies that are required by a Regulatory Authority as a condition to receiving Regulatory Approval for the CD38 Product.

1.18 "**Product Profit/Loss**" means, for a given period of time, (a) the Net Sales of CD38 Product sold by the Commercialization Party and its Affiliates in the Field in the Territory during such time period, less (b) the Commercialization Costs incurred by the Commercialization Party and its Affiliates for the CD38 Product during such time period. For clarity, Product Profit/Loss shall be determined prior to application of any income taxes, and if such terms are used individually, "**Product Profit**" means a positive Product Profit/Loss, and "**Product Loss**" means a negative Product Profit/Loss.

1.19 **"Regulatory Approval"** means all approvals, including pricing approvals, that are necessary for the commercial sale of CD38 Product in a given country or regulatory jurisdiction.

1.20 "**Regulatory Authority**" means any applicable government authority responsible for granting Regulatory Approvals for medical and/or pharmaceutical products in a particular country or jurisdiction, including the China Food and Drug Administration.

1.21 "**Regulatory Materials**" means any regulatory application, submission, notification, communication, correspondence, registration, approval and other filings made to, received from or otherwise conducted with a Regulatory Authority in order to Develop, manufacture, market, sell or otherwise Commercialize the CD38 Product in a particular country or jurisdiction, including the Regulatory Approval.

1.22 "**Sales and Marketing Costs**" means all costs incurred by or on behalf of the Commercialization Party and its Affiliates that are reasonably allocable to the sales and marketing of CD38 Product in the Field in the Territory, including the costs of: (a) activities directed to the advertising and marketing of CD38 Product, including sales call and detailing; (b) medical affairs and professional education for CD38 Product in the Territory, including launch meetings and continue medical education; (c) costs of advertising and public relations with respect to CD38 Product in the Territory; (d) promotional speaker programs with respect to CD38 Product in the Territory, including the training of such speakers; (e) developing, obtaining and providing training with respect to CD38 Product in the Territory, as well as training packages, promotional literature, promotional materials and other selling materials with respect to CD38 Product in the Territory; (f) developing and performing market research with respect to CD38 Product in the Territory and developing branding and communications plans; (g) conducting promotional symposia with respect to CD38 Product in the Territory; (h) developing reimbursement programs with respect to CD38 Product in the Territory; and (i) developing information for national accounts, managed care organizations and group purchasing organizations with respect to CD38 Product in the Territory.

1.23 "**Shared Product Damages**" means damages or other amounts payable by either Party or its Affiliates to any Third Party claimant, as well as any reasonable attorneys' fees and costs of litigation incurred by either Party or its Affiliates, resulting from Third Party claims that arise from or are based on the Development, manufacture and/or Commercialization of the CD38 Product in the Field in the Territory, including product liability claims; provided however that "Shared Product Damages" shall exclude any and all damages and other amounts (including attorneys' fees) for which a Party has an obligation to indemnify the other Party pursuant to Section 6.1 or 6.2.

1.24 "**Territory**" means the territory of the People's Republic of China (including Macao and Hong Kong) and Taiwan.

1.25 "**Third Party**" means any person or entity other than Everest or I-Mab or an Affiliate of either Party.

1.26 Interpretations. In this Agreement, unless otherwise specified:

(a) "includes" and "including" shall mean respectively includes and including without limitation;

(b) words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders;

(c) words such as "herein", "hereof", and "hereunder" refer to this Agreement as a whole and not merely to the particular provision in which such words appear; and

(d) the Exhibits and other attachments form part of the operative provision of this Agreement and references to this Agreement shall include references to the Exhibits and attachments.

ARTICLE 2
GOVERNANCE

2.1 Joint Steering Committee. The Parties shall establish a joint steering committee (the "**Joint Steering Committee**" or the "**JSC**") to oversee the Development and Commercialization of the CD38 Product in the Field in the Territory. The JSC shall in particular:

(a) provide a forum for and facilitate communications between the Parties with respect to the Development and Commercialization of the CD38 Product in the Field in the Territory;

(b) discuss and approve amendments to the Development Plan, including Development Budget;

(c) evaluate the implementation of the Development Plan, including recommending necessary actions to remedy or correct any issues in the implementation of the Development Plan;

(d) discuss and approve out-license of the CD38 Product;

(e) discuss and approve the Commercialization Party, the Commercialization Plan and amendments thereto, including Commercialization Budget;

(f) evaluate the implementation of the Commercialization Plan, including recommending necessary actions to remedy or correct any issues in the implementation of the Commercialization Plan;

(g) establish joint subcommittees as it deems necessary or advisable to further the Development and Commercialization of the CD38 Product in the Field in the Territory;

(h) monitor and oversee I-Mab's activities under the MorphoSys License; and

(i) perform such other functions as appropriate to further the purposes of this Agreement, as expressly set forth in this Agreement or allocated to it by the Parties in writing.

2.2 Limitations of JSC Authority. The JSC shall only have the powers expressly assigned to in this Article 2 and elsewhere in this Agreement and shall not have the authority to: (a) modify or amend the terms and conditions of this Agreement; (b) waive or determine either Party's compliance with the terms and conditions of under this Agreement; or (c) decide any such issue in a manner that would conflict with the express terms and conditions of this Agreement.

2.3 JSC Membership and Meetings.

(a) JSC Members. The JSC shall consist of four (4) members, with two (2) appointed by I-Mab and two (2) appointed by Everest. Within thirty (30) days following the Effective Date, each Party shall designate its initial members to serve on the JSC. Each Party may replace its representatives on the JSC on written notice to the other Party. Each Party shall appoint one (1) of its representatives on the JSC to act as a co-chairperson of the JSC. The co-chairpersons shall jointly prepare and circulate agendas and reasonably detailed minutes for each JSC meeting.

(b) Meetings. The JSC shall hold meetings at such times as it elects to do so, but in no event shall such meetings be held less frequently than once every quarter. Meetings of the JSC may be held in person, by audio or video teleconference; provided that at least one (1) meeting per year of the JSC shall be held in person. In-person JSC meetings shall be held at locations selected alternatively by the Parties. Each Party shall be responsible for all of its own expenses of participating in the JSC. No action taken at any meeting of the JSC shall be effective unless representatives of both Parties are participating.

(c) Non-Member Attendance. Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend the JSC meetings in a non-voting capacity; provided that such participants shall be bound by confidentiality and non-use obligations consistent with the terms of this Agreement and that each Party shall provide prior written notice to the other Party if it has invited any Third Party (including any consultant) to attend such a meeting.

(d) Everest Observer. I-Mab shall make reasonable efforts to discuss with Morphosys to appoint an observer designated by Everest to JDC between MorphoSys and I-MAB and this observer designated by Everest shall have full access to information from I-Mab from time to time. I-Mab shall make reasonable efforts to enable this observer to have full access to information from Morphosys from time to time.

2.4 Decision-Making.

(a) All decisions of the JSC shall be made by unanimous vote, with each Party's representatives collectively having one (1) vote.

(b) I-Mab shall have final decision-making authority on matters related to the Development of the CD38 Product; provided however that I-Mab exercises its final decision making authority to increase the Development Budget for Development work within the Field as specified in the initial Development Plan (attached hereto as Exhibit B) or to add new clinical trials not set forth in the initial Development Plan, Everest shall have the right to opt-out Development Cost sharing for such new work or clinical trials by written notice to I-Mab within thirty (30) days after the receipt of I-Mab's final decision. If Everest elects to opt-out such new work or clinical trials, then I-Mab shall be responsible for paying one hundred percent (100%) of the Development Cost for such new clinical trials, and the Product Profit/Loss Sharing shall be adjusted in accordance with Section 4.4(a). I-Mab shall not terminate the Development or sell its economic interest concerning the Development of CD38 Product without Everest's prior written consent, which should not be unreasonably withheld.

(c) For matters related to the Commercialization of the CD38 Product, I-Mab and Everest shall jointly make commercially reasonable decisions. If JSC cannot reach unanimous decision on matters related to the Commercialization of the CD38 Product, then Everest shall have the final decision-making authority on such matters. Notwithstanding the foregoing, if one Party or any of its Affiliates and/or its related parties is engaged to be a Commercialization Party under this Agreement, then the other Party that is not the Commercialization Party shall have a veto right relating to related party or connected party transactions related to the Commercialization of the CD38 Product. For clarity, Phase 4 Clinical Trials are Commercialization activities.

(d) I-Mab shall have day-to-day operational control over the Development of the CD38 Product and the Commercialization Party shall have day-to-day operational control over the Commercialization of the CD38 Product, provided that such Party conducts such activities in accordance with the terms and conditions of this Agreement.

ARTICLE 3
DEVELOPMENT AND COMMERCIALIZATION

3.1 Overview. Subject to the terms and conditions of this Agreement, I-Mab shall be responsible for, either by itself or through its Affiliates, contractors and sublicensees, and shall use Commercially Reasonable Efforts to carry out, the Development, manufacture and Commercialization (if I-Mab or its Affiliate is designated the Commercialization Party) of the CD38 Product in the Field in the Territory.

3.2 Development.

(a) Development Plan. The Development of the CD38 Product under this Agreement shall be conducted pursuant to a development plan to be implemented by or on behalf of I-Mab or its Affiliates or sublicensees to obtain Regulatory Approval of the CD38 Product in the Field in the Territory (the "Development Plan"). The Development Plan shall be consistent with I-Mab's obligation under the MorphoSys License with respect to the Development of the CD38 Product. The Development Plan shall also include a detailed budget (the "Development Budget") for such Development activities. As of the Effective Date, the Parties have agreed on the initial Development Plan, attached hereto as Exhibit B. From time to time, I-Mab shall prepare amendments and updates to the then-current Development Plan and Development Budget and submit such amendments and updates to the JSC for review and approval. Once approved by the JSC, such revised Development Plan and Development Budget shall replace or supplement, as appropriate, the prior Development Plan and Development Budget.

(b) Development Reports. I-Mab shall keep Everest reasonably informed as to the progress and results of its and its Affiliates' and sublicensees' Development of the CD38 Product under this Agreement. Before each regularly scheduled JSC meeting, I-Mab shall provide the JSC with a written report summarizing the Development activities performed since last JSC meeting and the results thereof, and comparing such activities with the Development Plan for such time period. The JSC shall discuss the progress and results of the Development of the CD38 Product.

3.3 Regulatory.

(a) Regulatory Responsibilities. The Development Plan shall set forth the regulatory strategy for seeking Regulatory Approval of the CD38 Product in the Field in the Territory. I-Mab shall be responsible for the preparation and submission of all Regulatory Materials necessary to obtain and maintain Regulatory Approval of the CD38 Product in the Field in the Territory in accordance with regulatory strategy set forth in the Development Plan. The Development Budget shall include the costs associated with the communications and interactions with Regulatory Authorities in the Territory regarding the CD38 Product. I-Mab shall own all such Regulatory Materials, including Regulatory Approval of the CD38 Product, and at the request of Everest, shall provide Everest with copies of all major submissions and material communications with Regulatory Authorities in the Territory regarding the CD38 Product promptly after submission or receipt.

(b) Remedial Actions. Each Party shall notify the other Party immediately if it obtains information indicating that any CD38 Product may be subject to any recall, corrective action or other regulatory action with respect to any CD38 Product taken by virtue of applicable Laws (a "**Remedial Action**"). JSC shall have the right to decide whether to take any Remedial Action and to control and coordinate all efforts necessary to conduct such Remedial Action. I-Mab shall make final decision relating to Remedial Action arises from the Development of the CD38 Product while the Commercialization Party shall make final decision relating to Remedial Action arises from the Commercialization of the CD38 Product.

3.4 Manufacture. I-Mab shall, either by itself or through its Affiliates, sublicensees or Third Party contractor, manufacture and supply all of I-Mab's and its Affiliates' and sublicensees' requirements for CD38 Product for Development use in the Field in the Territory. The Commercialization Party shall, either by itself or through its Affiliates, sublicensees or Third Party contractor, manufacture and supply all of Commercialization Party's and its Affiliates' and sublicensees' requirements for CD38 Product for Commercialization use in the Field in the Territory.

3.5 Commercialization.

(a) Commercialization Party. The Commercialization Party shall be responsible for the Commercialization of the CD38 Product in the Field in the Territory. No later than twenty-four (24) months prior to the anticipated date of first Regulatory Approval of the CD38 Product, the JSC shall discuss and select which Party to be the Commercialization Party. In the event that the JSC selects Everest as the Commercialization Party, I-Mab shall grant an exclusive and royalty-free license to Everest under relevant know-how, patent and other intellectual property rights owned or controlled by I-Mab that are necessary for the Commercialization of the CD38 Product in the Field in the Territory and the Parties shall enter into a formal license agreement to document such licensing arrangement, form and substance of which shall be reasonably satisfactory to Everest.

(b) Commercialization Plan. The Commercialization of the CD38 Product under this Agreement shall be conducted pursuant to a written Commercialization plan (the "**Commercialization Plan**").

(c) Commercialization Reports. The Commercialization Party shall keep the JSC reasonably informed as to the progress and results of its and its Affiliates' and sublicensees' Commercialization of the CD38 Product under this Agreement.

3.6 Everest's Right of First Negotiation. During the Term, if I-Mab desires to develop any CD38 Product outside the Field in the Territory (a "**ROFN Transaction**"), I-Mab shall first provide written notice to Everest of its intent to conduct any ROFN Transaction, and upon Everest's receipt of such written notice and at Everest's election, Everest shall have the right to discuss and negotiate in good faith for Everest to participate in such ROFN Transaction on terms and conditions to be agreed upon by the Parties in writing (the "**Everest ROFN**"). To the extent that Everest provides written notice to I-Mab of its intent to exercise the Everest ROFN (the "**Everest ROFN Notice**") within thirty (30) Business Days following receipt of the initial written notice from I-Mab (the "**Everest ROFN Notice Period**"), the Parties shall commence discussion and negotiation in good faith of terms and conditions for Everest's participation in the ROFN Transactions and during this period, I-Mab agrees not to engage in any discussions or to enter into any agreement to conduct the ROFN Transactions with any Third Party. To the extent that (a) Everest does not provide the Everest ROFN Notice to I-Mab within the Everest ROFN Notice Period or (b) the Parties are unable to reach agreement on terms and conditions for Everest's participation in the ROFN Transactions within thirty (30) Business Days following I-Mab's receipt of the Everest ROFN Notice, I-Mab shall have no further obligation to Everest under this Section 3.6.

In the event that I-Mab wishes to sell or transfer or undergo any transaction with any Third Party related to CD38 Product in the Field in the Territory, I-Mab will discuss and consult with Everest on such transaction and I-Mab will not enter into any legally binding agreement concerning such transaction without first obtaining Everest's written consents, which should not be unreasonably withheld.

ARTICLE 4
FINANCIAL PROVISIONS

4.1 Development Cost Sharing. Except as otherwise provided in this Agreement**,** the Parties shall share the Development Costs incurred by or on account of I-Mab to Develop the CD38 Product in the Field in the Territory (25% I-Mab: 75% Everest) as follows:

(a) For each calendar quarter in which I-Mab is anticipated to conduct any Development activities under the Development Plan, I-Mab shall submit to Everest an invoice setting forth the estimated Development Costs based on the then-current Development Budget for such calendar quarter, no later than thirty (30) days before the first day of such calendar quarter. Everest shall pay Everest's share (i.e., 75%) of the estimated Development Costs set forth in the invoice before the first day of such calendar quarter.

(b) Within thirty (30) days after the end of each calendar quarter in which I-Mab has conducted Development activities under the Development Plan, I-Mab shall submit to Everest a reasonably detailed reconciliation report setting forth the actual Development Costs incurred by or on account of I-Mab to Develop the CD38 Product in such calendar quarter.

(c) If the actual Development Costs for such calendar quarter is more than the amount of estimated Development Costs amount set forth in the invoice, then within thirty (30) days after the receipt of such reconciliation report, Everest shall pay to I-Mab (i) seventy-five percent (75%) of the portion of the actual Development Costs that are in excess of the invoice amount.

(d) If the actual Development Costs for such calendar quarter is less than the amount of estimated Development Costs amount set forth in the invoice, then Everest's prepayment in excess of Everest's share (i.e.,75%) of the actual Development cost shall be credited toward the payment for the estimated Development Costs for the next calendar quarter (or promptly refunded to Everest if no more Development activities are planned).

Notwithstanding the abovementioned, Everest shall not have the obligation to share the portion of the actual Development Costs that exceeds the total amount set forth in the Development Budget.

4.2 Payments to MorphoSys. The Parties shall share all payments due from I-Mab to MorphoSys under the License and Collaboration Agreement (Exhibit C) entered into by and between MorphoSys and I-Mab, including upfront payment, milestone payments, royalty payments and reimbursement for technology transfer and other assistance within the Field (25% I-Mab : 75% Everest) as follows: I-Mab shall notify Everest and provide Everest with a statement of Everest's share (i.e., 75%) of any payments due to MorphoSys thirty (30) days before the due date of such payment to MorphoSys, and Everest shall pay the amount invoiced within twenty five (25) days after the receipt of the invoice.

4.3 [Intentionally left blank**]**

4.4 Product Profit/Loss Sharing. The Parties shall share the Product Profit/Loss from the Commercialization of the CD38 Product in the Field in the Territory as follows, but Everest's right to share the Product Profit from the Commercialization of the CD38 Product in the Field in the Territory shall be suspended until Everest has fulfilled its payment obligations under this Agreement which constitute material obligations of Everest under this Agreement:

(a) Everest's share of the Product Profit/Loss shall equal Everest Total Cost / (Everest Total Cost + I-Mab Total Cost) – 5%, and I-Mab's share of the Product Profit/Loss shall equal I-Mab Total Cost / (Everest Total Cost + I-Mab Total Cost) + 5%, where

(i) "**Everest Total Cost**" is the sum of (A) total Development Cost actually incurred by Everest under Section 4.1 (either paid or shared, but excluding payment for cost overrun under Section 4.1(c)), and (B) Everest's share of payments to MorphoSys under Section 4.2, and

(ii) "**I-Mab Total Cost**" is the sum of (A) total Development Cost actually incurred by I-Mab under Section 4.1 (either paid or shared, and inclusive of payment for cost overrun under Section 4.1), and (B) I-Mab's share of payments to MorphoSys under Section 4.2.

By way of example, if the Everest Total Cost is $60 million and I-Mab Total Cost is $40 million, then Everest's share of Product Profit/Loss shall equal $60M/($60M+40M) – 5% = 55%, and I-Mab's share of Product Profit/Loss shall equal $40M/($60M+40M) + 5% = 45%. For clarity, if I-Mab's final decision regarding the Development of the CD38 Product increases the Development Budget and Everest elects to opt-out such budget increase as set forth in Section 2.4(b), then one hundred percent (100%) of the increase in Development Cost paid by I-Mab shall be included in I-Mab Development Cost and not in Everest Development Cost.

(b) Within thirty (30) days after the end of each calendar quarter in which the Commercialization Party has conducted Commercialization activities for the CD38 Product under the Commercialization Plan, the Commercialization Party shall submit to the other Party a reasonably detailed calculation of the Product Profit/Loss for such calendar quarter, including the Net Sales of the CD38 Product and the Commercialization Costs incurred by or on account of the Commercialization Party to Commercialize the CD38 Product in such calendar quarter.

(c) If a Product Profit was realized for such calendar quarter, then the Commercialization Party shall pay to the other Party its share (as calculated in accordance with subsection (a) above) of the Product Profit for such calendar quarter within thirty (30) days after the delivery of the Product Profit/Loss report.

(d) If a Product Loss was incurred for such calendar quarter, then the other Party shall pay to the Commercialization Party its share (as calculated in accordance with subsection (a) above) of the Product Loss for such calendar quarter within thirty (30) days after the receipt of the Product Profit/Loss report.

4.5 Out-license Income Sharing. The Parties shall share all Out-license Income from the out-license of the CD38 Product in the Field in the Territory (in the same ratio as Product Profit/Loss sharing) as follows: I-Mab shall promptly notify Everest after the receipt of any Out-license Income, shall first apply the Out-license Income to reimburse each Party the reasonable cost and expenses (including internal cost) incurred by such Party and its Affiliates for the negotiation and execution of the out-license agreement, and then shall pay to Everest Everest's share (as calculated in accordance with Section 4.4(a)) of the remaining Out-license Income within thirty (30) days after receipt of the Out-license Income by I-Mab.

4.6 Currency; Exchange Rate. All payments to be made under this Agreement shall be made in US Dollars by bank wire transfer in immediately available funds to a bank account designated by written notice from the receiving Party. The rate of exchange to be used in computing the amount of currency equivalent in US Dollars shall be made at the average of the closing exchange rates reported in The Wall Street Journal (U.S., Eastern Edition) on the due date of the payment.

4.7 Late Payments. If a Party does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to such Party from the due date until the date of payment at a per-annum rate of prime reported in The Wall Street Journal (U.S., Eastern Edition) on the due date of the payment plus two percentage point or the maximum rate allowable by applicable law, whichever is less.

4.8 Financial Records; Audit.

(a) [Intentionally left blank]

(b) Within sixty (60) days after the end of each calendar year, each Party shall allow an independent certified public accountant jointly selected by the Parties to audit its records for such calendar year to verify the accuracy of the financial report furnished by such Party and any amounts to be shared or paid under this Agreement for such calendar year. The cost of such annual audit shall be shared by the Parties (25% I-Mab: 75% Everest).

(c) Any amounts shown to be owed but unpaid, or overpaid and in need of refund, shall be paid or refunded (as the case may be) within thirty (30) days after the accountant's report, plus interest (as set forth in Section 4.7) from the original due date.

4.9 Tax.

(a) Taxes on Income. Each Party shall be solely responsible for the payment of all taxes imposed on its share of income arising directly or indirectly from the collaborative efforts of the Parties under this Agreement.

(b) Tax Cooperation. The Parties agree to cooperate with one another and use reasonable efforts to avoid or reduce tax withholding or similar obligations in respect of any payments made by a Party to the other Party under this Agreement.

(c) Payment of Tax. To the extent a Party is required by applicable law to deduct and withhold taxes on any payment to the other Party, the paying Party shall pay the amounts of such taxes to the proper tax authority in a timely manner and promptly transmit to the other Party an official tax certificate or other evidence of such withholding sufficient to enable such other Party to claim such payment of taxes.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Mutual Representations and Warranties. Each Party hereby represents, warrants, and covenants (as applicable) to the other Party as follows:

(a) Corporate Existence and Power. It is a company or corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated, and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement, including, without limitation, the right to grant the licenses granted by it hereunder.

(b) Authority and Binding Agreement. As of the Effective Date, (i) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder; (ii) it has taken all necessary corporate action on its part required to authorize the execution and delivery of the Agreement and the performance of its obligations hereunder; and (iii) the Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, and binding obligation of such Party that is enforceable against it in accordance with its terms.

(c) No Conflict; Covenant. It is not a party to any agreement that would materially prevent it from granting the rights granted to the other Party under this Agreement or performing its obligations under the Agreement.

(d) Compliance with Law. It shall comply in all material aspects with all applicable Laws in the course of performing its obligations and exercising its rights under this Agreement.

5.2 Additional Representations and Warranties of I-Mab. I-Mab represents, warrants, and covenants (as applicable) to I-Mab that:

(a) the MorphoSys License is in full force and effect and I-Mab has provided a true and complete copy of the MorphoSys License to Everest; I-Mab will maintain the MorphoSys License in full force and effect and will not terminate, amend, waive or otherwise modify the MorphoSys License in any manner that materially affects its rights to Develop, manufacture and/or Commercialize the CD38 Product in the Field in the Territory or Everest's right and interest in the CD38 Product without Everest's prior consent (not to be unreasonably withheld or delayed); in the event of any notice of breach of MorphoSys License by I-Mab, I-Mab shall immediately notify Everest in writing, and if I-Mab fails to cure such breach, Everest shall have the right, but not the obligation, to cure such breach on behalf of I-Mab and to offset any reasonable amounts incurred or paid by Everest in connection with the cure of such breach against any amounts otherwise payable by Everest to I-Mab under this Agreement;

(b) as of the Effective Date, I-Mab has not granted any sublicense to any Third Party under the MorphoSys License to Develop or Commercialize the CD38 Product in the Field in the Territory;

(c) as of the Effective Date, I-Mab has not received any written notice from any Third Party asserting or alleging that the CD38 Product, including the Development, manufacture or Commercialization thereof, infringes or misappropriates the intellectual property rights of such Third Party; and

(d) as of the Effective Date, there are no actual, pending, or to I-Mab's knowledge, alleged or threatened, adverse actions, suits, proceedings, or claims against I-Mab involving the CD38 Product or the MorphoSys License.

5.3 Additional Representations and Warranties of Everest. Everest represents, warrants, and covenants (as applicable) to I-Mab that as of the Effective Date, there are no legal claims, judgments or settlements against or owed by Everest or any of its Affiliates, or pending or, to Everest's knowledge, threatened, legal claims or litigation, in each case, relating to antitrust, anti-competition, anti-bribery or corruption violations.

5.4 Disclaimer. EXCEPT AS EXPRESSLY STATED IN THIS ARTICLE 5, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR NON-MISAPPROPRIATION OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, IS MADE OR GIVEN BY OR ON BEHALF OF A PARTY. ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXPRESSLY EXCLUDED. Everest understands that the CD38 Product in the Field in the Territory is the subject of ongoing research and development and I-Mab cannot assure that the CD38 Product can be successfully developed and commercialized in the Field in the Territory.

ARTICLE 6
INDEMNIFICATION; LIMITATION OF LIABILITY

6.1 Indemnification by Everest. Everest hereby agrees to defend, hold harmless and indemnify I-Mab, its Affiliates and their agents, directors, officers and employees (the "**I-Mab Indemnitees**") from and against any and all liabilities, expenses and/or losses, including without limitation reasonable legal expenses and attorneys' fees (collectively "**Losses**") in each case resulting from Third Party suits, claims, actions and demands (each, a "**Third Party Claim**") arising directly or indirectly out of (a) a breach of any of Everest's obligations under this Agreement, or (b) the negligence or willful misconduct of any Everest Indemnitee. Everest's obligation to indemnify the I-Mab Indemnitees pursuant to the foregoing sentence shall not apply to the extent that any such Losses arise from any activities set forth in Section 6.2 for which I-Mab is obligated to indemnify Everest Indemnitees under Section 6.2.

6.2 Indemnification by I-Mab. I-Mab hereby agrees to defend, hold harmless and indemnify Everest, its Affiliates and their agents, directors, officers and employees (the "**Everest Indemnitees**") from and against any and all Losses resulting from Third Party Claims arising directly or indirectly out of (a) a breach of any of I-Mab's obligations under this Agreement; (b) the negligence or willful misconduct of I-Mab Indemnitees. I-Mab's obligation to indemnify the Everest Indemnitees pursuant to the foregoing sentence shall not apply to the extent that any such Losses arise from any activities set forth in Section 6.1, for which Everest is obligated to indemnify I-Mab Indemnitees under Section 6.1.

6.3 Procedure. The indemnified Party shall provide the indemnifying Party with prompt notice of the claim giving rise to the indemnification obligation pursuant to this Article 6 and the exclusive ability to defend (with the reasonable cooperation of the indemnified Party) or settle any such claim; *provided, however*, that the indemnifying Party shall not enter into any settlement for damages other than monetary damages without the indemnified Party's written consent, such consent not to be unreasonably withheld. The indemnified Party shall have the right to participate, at its own expense and with counsel of its choice, in the defense of any claim or suit that has been assumed by the indemnifying Party. If the Parties cannot agree as to the application of Sections 6.1 and 6.2 to any particular Third Party Claim, the Parties may conduct separate defenses of such Third Party Claim. Each Party reserves the right to claim indemnity from the other in accordance with Sections 6.1 and 6.2 above upon resolution of the underlying claim, notwithstanding the provisions of this Section 6.3 requiring the indemnified Party to tender to the indemnifying Party the exclusive ability to defend such claim or suit.

6.4 Shared Product Damages. The Parties shall share all Shared Product Damages as follows: If the Shared Product Damage arises from the Development of the CD38 Product, including clinical trials, the Parties shall share such Shared Product Damage as Development Cost (i.e., 25% I-Mab : 75% Everest). If the Shared Product Damage arises from the Commercialization of the CD38 Product, the Parties shall share such Shared Product Damage as Commercialization Cost (as calculated in accordance with Section 4.). If either Party receives notice of a Third Party claim that arises from or is based on the Development, manufacture and/or Commercialization of the CD38 Product in the Field in the Territory, such Party shall inform the other Party in writing as soon as reasonably practicable, and the Parties shall discuss a strategy on how to defend against such Third Party claim.

6.5 Limitation of Liability. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES OR LOSS OF PROFITS ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 6.5 IS INTENDED TO OR SHALL LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY UNDER SECTION 6.1 OR 6.2, THE OBLIGATION OF ANY PARTY TO SHARE THE SHARED PRODUCT DAMAGES, OR DAMAGES AVAILABLE FOR A PARTY'S BREACH OF CONFIDENTIALITY OBLIGATIONS IN ARTICLE 7.

6.6 [Intentionally left blank]

ARTICLE 7
CONFIDENTIALITY

7.1 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the Parties, each Party agrees that, for the Term and for a period of ten (10) years thereafter, it shall keep confidential and shall not publish or otherwise disclose and shall not use for any purpose other than as provided for in this Agreement (which includes the exercise of any rights or the performance of any obligations hereunder) any Confidential Information of the other Party pursuant to this Agreement. The foregoing confidentiality and non-use obligations shall not apply to any portion of the Confidential Information that the receiving Party can demonstrate by competent written proof:

(a) was already known to the receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the other Party;

(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party;

(c) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the receiving Party in breach of this Agreement;

(d) is subsequently disclosed to the receiving Party by a Third Party who has a legal right to make such disclosure; or

(e) is subsequently independently discovered or developed by the receiving Party without the aid, application, or use of the disclosing Party's Confidential Information, as evidenced by a contemporaneous writing.

7.2 Authorized Disclosure. Notwithstanding the obligations set forth in Section 7.1, a Party may disclose the other Party's Confidential Information and the terms of this Agreement to the extent:

(a) such disclosure is reasonably necessary for (i) the Development, manufacture and/or Commercialization of the CD38 Product, including obtaining and maintaining Regulatory Approval; or (ii) the prosecuting or defending litigation as contemplated by this Agreement; or

(b) such disclosure is reasonably necessary: (i) to such Party's directors, attorneys, independent accountants or financial advisors for the sole purpose of enabling such directors, attorneys, independent accountants or financial advisors to provide advice to the receiving Party, provided that in each such case on the condition that such directors, attorneys, independent accountants and financial advisors are bound by confidentiality and non-use obligations consistent with those contained in this Agreement; or (ii) to actual or potential investors, acquirers, licensors, licensees, collaborators or other business partners solely for the purpose of evaluating or carrying out an actual or potential investment, acquisition, license or collaboration; provided that in each such case on the condition that such disclosures are bound by confidentiality and non-use obligations consistent with those contained in the Agreement;

(c) such disclosure is required by applicable Laws, including judicial or administrative process, provided that in such event such Party shall promptly inform the other Party such required disclosure and provide the other Party an opportunity to challenge or limit the disclosure obligations. Confidential Information that is disclosed under this Section 7.2(c) shall remain otherwise subject to the confidentiality and non-use provisions of this Article 7, and the Party disclosing Confidential Information pursuant to applicable Law shall take all steps reasonably necessary, including seeking of confidential treatment or a protective order to ensure the continued confidential treatment of such Confidential Information.

7.3 Publicity. Subject to the rest of this Section 7.3, no disclosure of the terms of this Agreement may be made by either Party, and no Party shall use the name, trademark, trade name or logo of the other Party, its Affiliates or their respective employee(s) in any publicity, promotion, news release or disclosure relating to this Agreement or its subject matter, without the prior express written permission of the other Party, except as may be required by Law.

7.4 Equitable Relief. Each Party acknowledges that a breach of this Article 7 cannot be reasonably or adequately compensated in damages in an action at law and that such a breach shall cause the other Party irreparable injury and damage. By reason thereof, each Party agrees that the other Party shall be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to preliminary and permanent injunctive and other equitable relief to prevent or curtail any breach of the obligations relating to Confidential Information set forth herein.

ARTICLE 8
TERM AND TERMINATION

8.1 Term. This Agreement shall become effective on the Effective Date and, unless earlier terminated pursuant to this Article 8, shall remain in effect until the Parties cease Development and Commercialization of the CD38 Product in the Field in the Territory (the "**Term**").

8.2 Termination for Breach. Each Party shall have the right to terminate this Agreement in its entirety immediately upon written notice to the other Party, if the other Party materially breaches its obligations under this Agreement that would (x) lead or cause I-Mab to materially breaches its obligations under the MorphoSys Agreement or (y) lead or cause the essential business purpose of this Agreement could not be acheived and, after receiving written notice identifying such material breach in reasonable detail, fails to cure such material breach within sixty (60) days from the date of such notice. For the avoidance of doubt, such material breach includes at least the following: on the part of I-Mab, I-Mab's failure to make any payments due or use Commercially Reasonable Efforts to develop the CD38 Product under the MorphoSys Agreement; on the part of Everest, Everest's failure to make any payments due or use Commercially Reasonable Efforts to commercialize the CD38 Product if the JSC selects Everest as the Commercialization Party under this Agreement. Such material breach does not include mistakes or errors in clinical trials that do not constitute material breach under the MorphoSys Agreement.

8.3 Termination for Bankruptcy. Each Party shall have the right to terminate this Agreement in its entirety immediately upon written notice to the other Party, if the other Party shall file in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of such other Party or of substantially all of its assets, or if such other Party proposes a written agreement of composition or extension of substantially all of its debts, or if such other Party shall be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within ninety (90) calendar days after the filing thereof, or if such other Party shall propose or be a party to any dissolution or liquidation, or if such other Party shall make an assignment of substantially all of its assets for the benefit of creditors.

8.4 Termination for Suspension of Development or Commercialization. The Party acknowledge that under the MorphoSys Agreement, I-Mab shall be deemed to not be using Commercially Reasonable Efforts to develop the CD38 Product if I-Mab fails to initiate or conduct any material development activities in relation to any therapeutic, prophylactic or palliative CD38 Product for a period of six (6) months. Therefore, the Parties agree that if I-Mab fails to initiate or conduct any material development activities in relation to any therapeutic, prophylactic or palliative CD38 Product for a period of three (3) months not as a result of any order or requirement of Regulatory Authority, Everest shall have the right to terminate this Agreement upon written notice to I-Mab. The Parties further agree that if the Commercialization Party fails to initiate or conduct any material commercialization activities after twenty-four (24) months prior to the anticipated date of first Regulatory Approval of the CD38 Product in relation to the CD38 Product for a period of three (3) months not as a result of any order or requirement of Regulatory Authority, the other party shall have the right to terminate this Agreement upon written notice to the Commercialization Party.

8.5 [Intentionally left blank]

8.6 Effect of Termination.

(a) Continuation by I-Mab. If this Agreement is terminated by I-Mab pursuant to Sections 8.2, 8.3, or 8.4, then I-Mab shall have the right to continue the Development and Commercialization of the CD38 Product in the Field in the Territory.

(b) Continuation by Everest. If this Agreement is terminated by Everest pursuant to Sections 8.2, 8.3, or 8.4, then Everest shall have the right to continue the Development and Commercialization of the CD38 Product in the Field in the Territory, in which case, upon Everest's request and at no additional cost to Everest, I-Mab shall reasonably cooperate with Everest to facilitate the following:

(i) subject to the terms and conditions of the MorphoSys License regarding assignment, assign the MorphoSys License to Everest;

(ii) grant to Everest an exclusive license to all know-how, patent and other intellectual property rights owned or controlled by I-Mab to further Develop, manufacture and Commercialize the CD38 Product in the Field in the Territory;

(iii) transfer and assign to Everest all of Regulatory Materials, including Regulatory Approval for the CD38 Product in the Field in the Territory, and all data and results from the non-clinical studies and clinical trials of the CD38 Product conducted by or on behalf of I-Mab in the Field in the Territory;

(iv) transfer and assign to Everest all inventory of the CD38 Product in I-Mab's and its Affiliates' possession; and

(v) transfer the Development, manufacture and Commercialization of the CD38 Product to Everest, including providing reasonable technical assistance and assigning to Everest any agreement with Third Party vendors pertaining to the Development, manufacture and Commercialization of the CD38 Product.

(c) Continuation of Profit Sharing. The Party elects to continue the Development and Commercialization of the CD38 Product under clause (a) or (b) (the "**Continuing Party**") shall be solely responsible for the cost and expense of such Development and Commercialization after termination. In the event that the Continuing Party successfully Develop and Commercialize the CD38 Product, the Continue Party shall pay to the other Party a percentage of the Product Profit and Out-license Income generated from the Development and Commercialization of the CD38 Product in the Field in the Territory, which percentage shall equal X/(X+Y*1.25) where

(i) X is the total amount actually incurred (either paid or shared) by the other Party to Develop the Product under this Agreement before termination, including its share of the Development Costs under Section 4.1, payments to MorphoSys under the MorphoSys License under Section 4.2, and other Third Party payment under Section 4.3; and

(ii) Y is (A) the total amount actually incurred (either paid or shared) by the Continuing Party to Develop the Product under this Agreement before termination, including its share of the Development Costs under Section 4.1, payments to MorphoSys under the MorphoSys License under Section 4.2, and other Third Party payment under Section 4.3, plus (B) the total amount actually incurred by the Continuing Party to Develop the Product after termination through Regulatory Approval;

provided however that the Continuing Party's obligation to share Product Profit and Out-license Income with the other Party shall stop once the total payment to the other Party reach two times X.

8.7 Survival. Expiration or termination of this Agreement shall not affect the rights or obligations of the Parties under this Agreement that have accrued prior to the date of expiration or termination. Without limiting the foregoing, the following provisions shall survive any expiration or termination of this Agreement: Sections 5.4, 6.1 - 6.4 (solely with respect to claims arising from activities before expiration or termination), 6.5, 8.6, 8.7,10.11, Article 1, 7 and 9.

ARTICLE 9
DISPUTE RESOLUTION

9.1 Disputes. The Parties recognize that disputes as to certain matters may from time to time arise during the Term which relate to either Party's rights and/or obligations hereunder. It is the objective of the Parties to establish procedures to facilitate the resolution of disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in this Article 9 to resolve any controversy or claim arising out of, relating to or in connection with any provision of this Agreement, if and when a dispute arises under this Agreement.

9.2 Internal Resolution. With respect to all disputes arising between the Parties under this Agreement, including, without limitation, any alleged breach under this Agreement or any issue relating to the interpretation or application of this Agreement, if the Parties are unable to resolve such dispute within thirty (30) days after such dispute is first identified by either Party in writing to the other, the Parties shall refer such dispute to the Chief Executive Officers of the Parties for attempted resolution by good faith negotiations within thirty (30) days after such notice is received.

9.3 Binding Arbitration. If the Chief Executive Officers of the Parties are not able to resolve any disputed matter within thirty (30) days and either Party wishes to pursue the matter, each such dispute, controversy or claim shall be finally resolved by binding arbitration administered by Hong Kong International Arbitration Centre ("**HKIAC**") pursuant to its arbitration rules then in effect, and judgment on the arbitration award may be entered in any court having jurisdiction thereof. The Parties agree that:

(a) The arbitration shall be conducted by a single arbitrator jointly selected by the Parties. If the Parties are unable or fail to agree upon the arbitrator within thirty (30) days after the initiation of the arbitration, the arbitrator shall be appointed by HKIAC. The place of arbitration shall be Hong Kong, and all proceedings and communications shall be in English.

ARTICLE 10
MISCELLANEOUS

10.1 Entire Agreement; Amendment. This Agreement, including the Exhibits hereto, sets forth the complete, final and exclusive agreement and all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto with respect to the subject matter hereof and supersedes, as of the Effective Date, all prior agreements and understandings between the Parties with respect to the subject matter hereof. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties other than as are set forth herein and therein. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by an authorized officer of each Party.

10.2 Force Majeure. Each Party shall be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by force majeure and the nonperforming Party promptly provides notice of the prevention to the other Party. Such excuse shall be continued so long as the condition constituting force majeure continues and the nonperforming Party takes reasonable efforts to remove the condition. For purposes of this Agreement, force majeure shall include conditions beyond the reasonable control of the nonperforming Party, including without limitation, an act of God or terrorism, involuntary compliance with any regulation, law or order of any government, war, civil commotion, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe. If a force majeure persists for more than ninety (90) days, then the Parties will discuss in good faith the modification of the Parties' obligations under this Agreement in order to mitigate the delays caused by such force majeure.

10.3 Notices. Any notice required or permitted to be given under this Agreement shall be in writing, shall specifically refer to this Agreement, and shall be addressed to the appropriate Party at the address specified below or such other address as may be specified by such Party in writing in accordance with this Section 10.3, and shall be deemed to have been given for all purposes (a) when received, if hand-delivered or sent by confirmed facsimile or a reputable courier service, or (b) five (5) business days after mailing, if mailed by first class certified or registered airmail, postage prepaid, return receipt requested.

If to Everest:	Everest Medicines Limited ***
If to I-Mab:	I-MAB Biopharma Co., Ltd. ***

10.4 No Strict Construction; Headings. This Agreement has been prepared jointly and shall not be strictly construed against either Party. Ambiguities, if any, in this Agreement shall not be construed against any Party, irrespective of which Party may be deemed to have authored the ambiguous provision. The headings of each Article and Section in this Agreement have been inserted for convenience of reference only and are not intended to limit or expand on the meaning of the language contained in the particular Article or Section.

10.5 Assignment. Neither Party may assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of the other, except that a Party may make such an assignment without the other Party's consent to an affiliate or to a successor to substantially all of the business of such Party to which this Agreement relates (whether by merger, sale of stock, sale of assets or other transaction). Any permitted successor or assignee of rights and/or obligations hereunder shall, in writing to the other Party, expressly assume performance of such rights and/or obligations. Any permitted assignment shall be binding on the successors of the assigning Party. Any assignment or attempted assignment by either Party in violation of the foregoing shall be null, void and of no legal effect.

10.6 Further Actions. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

10.7 Severability. If any one or more of the provisions of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction from which no appeal can be or is taken, the provision shall be considered severed from this Agreement and shall not serve to invalidate any remaining provisions hereof. The Parties shall make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by the Parties when entering this Agreement may be realized.

10.8 No Waiver. Any delay in enforcing a Party's rights under this Agreement or any waiver as to a particular default or other matter shall not constitute a waiver of such Party's rights to the future enforcement of its rights under this Agreement, except with respect to an express written and signed waiver relating to a particular matter for a particular period of time.

10.9 Independent Contractors. Each Party shall act solely as an independent contractor, and nothing in this Agreement shall be construed to give either Party the power or authority to act for, bind, or commit the other Party in any way. Nothing herein shall be construed to create the relationship of partners, principal and agent, or joint-venture partners between the Parties.

10.10 English Language. This Agreement was prepared in the English language, which language shall govern the interpretation of, and any dispute regarding, the terms of this Agreement. To the extent this Agreement requires a Party to provide to the other Party Information, correspondence, notice and/or other documentation, such Party shall provide such Information, correspondence, notice and/or other documentation in the English language.

10.11 Governing Law. This Agreement and all disputes arising out of or related to this Agreement or any breach hereof shall be governed by and construed under the laws of Hong Kong, without giving effect to any choice of law principles that would require the application of the laws of a different jurisdiction.

10.12 Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this CD38 Product Collaboration Agreement in duplicate originals by their duly authorized officers as of the Effective Date.

EVEREST MEDICINES LIMITED

/S/ EVEREST MEDICINES LIMITED

I-Mab

/S/ I-MAB

Exhibit A CD38 Compound

[***]

Exhibit B Initial Development Plan

[***]

Exhibit C LICENSE AND COLLABORATION AGREEMENT

[***]

Exhibit 10.21

SUPPLEMENTAL AGREEMENT

TO

CD38 PRODUCT COLLABORATION AGREEMENT

THIS SUPPLEMENTAL AGREEMENT is made on November 7th, 2018 (the "Amendment Effective Date")

BETWEEN:

(1) MAB, a company organized and existing under the laws of Cayman Islands and having its registered address at ***("**I- Mab**"); and

(2) EVEREST MEDICINES LIMITED, a company organized and existing under the laws of Cayman Islands and having its registered address at *** ("**Everest**", together with I-Mab are referred to herein individually as a "**Party**" and collectively as the "**Parties**").

WHEREAS:

A. I-Mab and Everest entered into a collaboration agreement on January 22, 2018 (the "**Collaboration Agreement**") in relation to, among others, the development and commercialization of and sharing of economic interest in CD38 Product (as defined in the Collaboration Agreement).

B. I-Mab may apply for the listing of its shares on *** internationally recognized stock exchange (the "**Listing**").

C. The Parties agree to amend the Collaboration Agreement to provide more clarity on the development and commerciliazation cost of CD38 Products.

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Unless otherwise defined herein, capitalized terms used herein shall have the same meaning ascribed thereto in the Collaboration Agreement.

2. Article 3.2(a) of the Collaboration Agreement shall be amended and now be read as follows:

"3.2 Development

(a) Development Plan.

(i) The Development of the CD38 Product under this Agreement shall be conducted pursuant to a development plan to be implemented by or on behalf of I-Mab or its Affiliates or sublicensees to obtain Regulatory Approval of the CD38 Product in the Field in the Territory (the "Development Plan"). The Development Plan shall be consistent with I-Mab's obligation under the MorphoSys License with respect to the Development of the CD38 Product. The Development Plan shall also include a detailed budget (the "Development Budget") for such Development activities. As of the Effective Date, the Parties have agreed on the initial Development Plan, attached hereto as Exhibit B. Pursuant to the initial Development Plan, the Development of CD38 Product shall be [completed] by December 31, 2024 ("Development Complete Date") with a total budget of US$200,000,000 (the "Initial Development Budget"). Such Initial Development Budget shall be inclusive of all costs and expenses to be incurred by or on account of I-Mab and Everest under the initial Development Plan, but shall not include and shall be in addition to any payments (including upfront payments, development milestone payments, and any other payments) made by I-Mab under the License and Collaboration Agreement by and between I-Mab and MorphoSys AG ("Morphosys"), dated November 30, 2017 (the "Morphosys Agreement").

(ii) From time to time, I-Mab shall prepare amendments and updates to the then-current Development Plan and Development Budget and submit such amendments and updates to the JSC for review and approval. Once approved by the JSC, such revised Development Plan and Development Budget shall replace or supplement, as appropriate, the prior Development Plan and Development Budget.

(iii) Upon the Listing of I-Mab, if I-Mab proposes to increase the Initial Development Budget or the then applicable Development Budget (as determined in accordance with this Article 3.2(a)(ii) and/or (iii)) (such amendment, "Material Development Plan Amendment" and such incremental increase of the Initial Development Budget, the "Increased Amount"), in addition to the approval by the JSC as required under Article 3.2(a)(ii), I-Mab shall comply with the applicable rules of the stock exchange on which its securities are listed ("Applicable Listing Rules") and submit such Material Development Plan Amendment for the approval of its shareholders who are not otherwise connected with Everest (to be determined by the Applicable Listing Rules) (the "Unconnected Shareholders"). The Material Development Plan Amendment may only become effective after being approved by the JSC and the shareholders of I-Mab in accordance with the Applicable Listing Rules and such approved Material Development Plan Amendment shall replace or supplement, as appropriate, the prior Development Plan and Development Budget. In the event of a Material Development Plan Amendment, the JSC approves such Material Development Plan Amendment but the Unconnected Shareholders do not approve such Material Development Plan Amendment, then such Development Plan Amendment may only become effective, and the Parties shall carry out such Material Development Plan Amendment, if Everest agrees to bear one hundred percent (100%) of the Increased Amount without requiring I-Mab to share such Increased Amount under Section 4.1 (but for clarity I-Mab shall continue to share the then-current Development Budget before such proposed Material Development Amendment under Section 4.1) (the "Everest Sole Development Costs")."

3. A new Article 3.5(d) shall be added into Article 3.5 of the Collaboration Agreement:

"3.5 Commercialization

(d) Net Commercialization Cost Budget. The Parties agree and shall procure that the Commercialization Party shall not incur Commercialization Costs in a manner that would, at any given time, cause the Net Commercialization Costs (as defined below) to exceed US$100,000,000 ("Net Commercialization Cost Cap") without the prior approval of both Parties. For the purpose of this Collaboration Agreement, "Net Commercialization Cost" means the cumulative Commercialization Cost incurred by the Commercialization Party from the launch of the CD38 Product in the Field in the Territory (including fully burdened cost of manufacturing the commercial products, sales and marketing expenses, general and administrative expenses, phase 4 or post-marketing clinical study costs, commercial milestone and royalty payments made to Morphosys under the Morphosys Agreement, and all related tax) less the cumulative Net Sales of CD38 Product sold in the Field in the Territory during the same time period. It is acknowledged that, upon the Listing of I-Mab, in order for I-Mab to approve any additional Commercialization Cost that is higher than the Net Commercialization Cost Budget ("Increased Net Commercialization Cost Budget"), I-Mab shall comply with the Applicable Listing Rules and submit such Increased Net Commercialization Cost Budget for the approval of its shareholders who are not otherwise connected with Everest (to be determined by the Applicable Listing Rules). The Increased Net Commercialization Cost Budget may only become effective after being approved by the JSC and the shareholders of I-Mab in accordance with the Applicable Listing Rules and such approved Increased Net Commercialization Cost Budget shall replace or supplement, as appropriate, the prior Net Commercialization Cost Budget. In the event the JSC approves the Increased Net Commercialization Cost Budget but the Unconnected Shareholders do not approve such Increased Net Commercialization Cost Budget, then Everest shall bear one hundred percent (100%) of any Commercialization Costs that would cause the Net Commercialization Cost to exceed Net Commercialization Costs Cap (the "Everest Sole Commercialization Costs")."

4. Article 4.1 of the Collaboration Agreement shall be amended and now be read in its entirety as follows:

"4.1 **Development Cost Sharing**. Except as otherwise provided in this Agreement and subject to Article 3.2(a) above, the Parties shall share the Development Costs incurred by or on account of I-Mab to Develop the CD38 Product in the Field in the Territory (25% I-Mab: 75% Everest). Within thirty (30) days after the end of each calendar quarter in which I-Mab has conducted Development activities under the Development Plan, I-Mab shall submit to Everest a reasonably detailed report setting for the actual Development Costs incurred by or on account of I-Mabto Development the CD 38 Product in such calendar quarter and the supporting proof of payment, and an invoice for seventy-five percent (75%) of such actual Development Costs. Everest shall pay to I-Mab such invoiced amount within thirty (30) days after the date of such invoice."

Notwithstanding the abovementioned, Everest shall not have the obligation to share the portion of the actual Development Costs that exceeds the total amount set forth the in the Development Budget.

5. A new Article 4.4(a)(iii) shall be added into Article 4.4(a) of the Collaboration Agreement:

"If and at the time Everest incurs any Everest Sole Development Costs and/or Everest Sole Commercialization Costs, such Everest Sole Development Costs and/or Everest Sole Commercialization Costs shall be included in the Everest Total Costs, and Everest shall be deemed to have fulfilled its payment obligation under Section 4.4(a) and Everest's right to share profits shall not be subject to any suspension notwithstanding the provision of Section 4.4(a)."

6. Article 8.1 of the Collaboration Agreement shall be amended and now be read as follows:

"8.1 **Term**. This Agreement shall become effective on the Effective Date and, unless terminated pursuant to this Article 8, shall remain in effect until the Parties cease Development and Commercialization of the CD38 Product in the Field in the Territory (the "Term")."

7. Miscellaneous

7.1 Incorporation

This Amendment shall become effective on the Amendment Effective Date and shall be incorporated in the Collaboration Agreement by reference. Unless otherwise expressly amended by this Supplemental Agreement, the Collaboration Agreement shall remain in full force and effect in its original form.

7.2 Counterparts

This Supplemental Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same agreement.

IN WITNESS WHEREOF, the Parties have executed this Supplemental Agreement in duplicate originals by their duly authorized officers:

EVEREST MEDICINES LIMITED

/s/ EVEREST MEDICINES LIMITED

I-MAB

/s/ I-MAB

Exhibit 21.1

List of Principal Subsidiaries of the Registrant

Subsidiary	Place of Incorporation
I-Mab Biopharma Hong Kong Limited	Hong Kong
I-Mab Biopharma US Ltd.	United States
I-Mab Bio-tech (Tianjin) Co., Ltd.	People’s Republic of China
I-Mab Biopharma (Shanghai) Co., Ltd.	People’s Republic of China