

As filed with the Securities and Exchange Commission on January 30, 2023.

Registration No. 333-269200

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

AMENDMENT NO. 1 TO

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Structure Therapeutics Inc.

(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction of
incorporation or organization)

2834
(Primary Standard Industrial
Classification Code Number)

98-1480821
(I.R.S. Employer
Identification Number)

**611 Gateway Blvd., Suite 223
South San Francisco, CA 94080
(628) 229-9277**

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

Raymond Stevens, Ph.D.
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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, please 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 a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, 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 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, as amended, 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.

SUBJECT TO COMPLETION, DATED JANUARY 30, 2023

PRELIMINARY PROSPECTUS

8,950,000 American Depositary Shares



Representing 26,850,000 Ordinary Shares

We are offering 8,950,000 American depositary shares, or ADSs, representing 26,850,000 ordinary shares, par value \$0.0001 per share. Each ADS represents three ordinary shares.

This is our initial public offering, and no public market currently exists for our ADSs or ordinary shares. We expect the initial public offering price to be between \$13.00 and \$15.00 per ADS. We have applied to list our ADSs on the Nasdaq Global Market, or Nasdaq, under the symbol "GPCR." We believe that upon the completion of this offering, we will meet the standards for listing on Nasdaq, and the closing of this offering is contingent upon such listing.

We are an "emerging growth company" and a "smaller reporting company" as those terms are defined under the federal securities laws and, as such, we have elected to comply with certain reduced reporting requirements for this prospectus and may elect to do so in future filings.

There are legal and operational risks associated with having certain of our operations in China, including risks related to Chinese and U.S. regulations, changes in the legal, political and economic policies of the Chinese government, and the relations between China and the United States which may affect our business, financial condition, results of operations and the market price of our ADSs. Any such changes could potentially limit our ability to offer or continue to offer our ADSs to investors, and could potentially cause the value of our ADSs to decline. Investing in our ADSs involves a high degree of risk. Please read the section titled "Risk Factors" beginning on page 16 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	PER ADS	TOTAL
Initial public offering price	\$	\$
Underwriting discounts and commissions ⁽¹⁾	\$	\$
Proceeds to Structure Therapeutics Inc., before expenses	\$	\$

⁽¹⁾ See the section titled "Underwriting" for additional information regarding underwriter compensations.

At our request, the underwriters have reserved up to 5% of the ADSs offered by this prospectus, for sale at the initial public offering price in a directed share program, to certain of our directors, officers, employees, and other persons related to us. See the section titled "Underwriting—Directed Share Program" for additional information.

Delivery of the ADSs is expected to be made on our about , 2023.

We have granted the underwriters an option for a period of 30 days to purchase an additional 1,342,500 ADSs. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be \$ and the total proceeds to us, before expenses, will be \$.

JefferiesSVB SecuritiesGuggenheim SecuritiesBMO Capital Markets

Prospectus dated , 2023

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities 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.

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Through and including _____, 2023 (the 25th day after the date of this prospectus), all dealers effecting transactions in our ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

We and the underwriters have not authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, our ADSs or ordinary shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus or in any applicable free writing prospectus is accurate only as of the date of this prospectus or any such free writing prospectus, as applicable, regardless of its time of delivery or of any sale of our ADSs or ordinary shares. Our business, financial condition, results of operations and future growth prospects may have changed since that date.

For investors outside the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of our ADSs or ordinary shares and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

This summary highlights selected information contained in greater detail elsewhere in this prospectus. This summary is not complete and does not contain all of the information you should consider in making your investment decision. Before investing in our ADSs, you should carefully read this entire prospectus. You should carefully consider, among other things, the sections titled "Risk Factors," "Special Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and the related notes included elsewhere in this prospectus. Unless the context otherwise requires, the terms the "Company," "Structure Therapeutics," "we," "us," "our" and similar references in this prospectus refer to Structure Therapeutics Inc. and its subsidiaries.

Overview

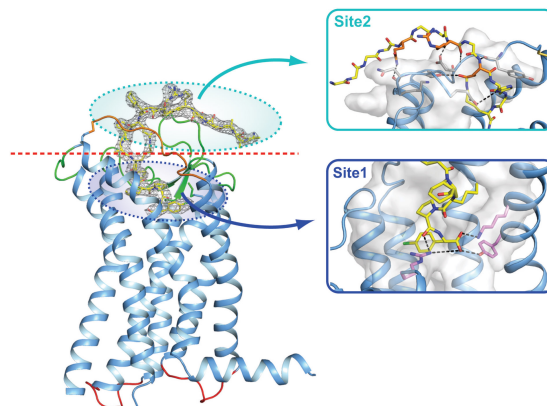
We are a clinical stage global biopharmaceutical company aiming to develop and deliver novel oral therapeutics to treat a wide range of chronic diseases with unmet medical needs. Our differentiated technology platform leverages structure-based drug discovery and computational chemistry expertise and enables us to develop oral small molecule therapeutics for the treatment of various diseases including those impacting the metabolic, cardiovascular, and pulmonary systems.

Our initial focus is on G-protein-coupled receptors, or GPCRs, as a therapeutic target class. GPCRs regulate numerous diverse physiological and pathological processes, and approximately one in every three marketed medicines targets GPCR-associated pathways. By leveraging our world-class GPCR know-how, we aim to design differentiated small molecule therapies to overcome the limitations of biologics and peptide therapies targeting this family of receptors. We are developing GSB-1290, our oral small molecule product candidate targeting the validated glucagon-like-peptide-1 receptor, or GLP-1R, for the treatment of type-2 diabetes mellitus, or T2DM, and obesity. We completed our Phase 1 single ascending dose, or SAD, study of GSB-1290 in September 2022. GSB-1290 was generally well tolerated and demonstrated dose-dependent pharmacokinetics, or PK, and pharmacological, or PD, activity. We submitted an Investigational New Drug application, or IND, to the United States Food and Drug Administration, or FDA, to support initiation of a Phase 1b proof-of-concept study in T2DM and obesity and received FDA allowance in September 2022. We initiated the Phase 1b multiple ascending dose, or MAD, study in January 2023 and plan to submit a protocol amendment to the FDA to transition to a Phase 2a proof-of-concept study in T2DM and obesity with expected initiation in the second half of 2023. We expect to report topline data for the Phase 1b study and Phase 2a study in the second half of 2023. Beyond GSB-1290, we are developing next generation GLP-1R candidates, including dual GLP-1R/GIPR agonists, each designed with customized properties to achieve additional benefit. In September 2022, we completed a Phase 1 SAD and MAD study evaluating ANPA-0073, our small molecule product candidate targeting the apelin receptor, or APJR, in which it was generally well tolerated in healthy human volunteers. ANPA-0073 is in development for the treatment of patients with idiopathic pulmonary fibrosis, or IPF, and pulmonary arterial hypertension, or PAH. We expect to conduct additional preclinical studies to be followed by a Phase 1 formulation bridging PK study in Australia. Moreover, we are advancing a differentiated lysophosphatidic acid 1 receptor, or LPA1R, antagonist for the treatment of IPF. We selected a development candidate in January 2023 and expect to initiate a first-in-human study in 2024.

A number of GPCR properties contribute to its importance as a drug target class, including interaction with a diverse set of signaling molecules, involvement in a vast array of physiological and pathological processes, and cell surface expression that enables extracellular drug binding. As such, GPCRs have emerged as the largest family of targets for approved drugs, have provided significant benefit to patients and have achieved blockbuster sales in a number of therapeutic indications, including diabetes (Victoza), bipolar disorders (Abilify, Seroquel), asthma (Singulair), hypertension (Diovan, Lopressor), and cardiovascular disease (Plavix). Despite this success, there remain a number of challenges to continued innovation in this target class, including (i) low expression levels on cell surfaces, (ii) the complexity of the multi-subunit peptide GPCR receptor, (iii) difficulties in obtaining relevant crystal structures as a basis for drug design, and (iv) non-specific signaling through multiple intracellular signaling pathways, a concept known as non-biased signaling, which can limit activity and increase side effects. We have developed a platform designed to address these key challenges, enabling us to discover small molecule drugs to effectively target GPCRs. Further, our platform has been designed to develop novel drugs against other targets where traditional drug discovery methods have not been adequate. Given our early stage of development, it will take several years before we complete development and seek

regulatory approval of any of our product candidates, if at all. Even if we are successful in obtaining regulatory approval and commercialization of any of our product candidates, there can be no assurance that we will obtain the same success as other approved drugs.

Our next generation structure-based drug discovery platform is based on techniques that our founders have evolved for over 25 years, which enables us to generate small molecule product candidates designed to overcome the historical limitations of GPCR drug development. As shown below, we believe our insights and capability to visualize the three-dimensional protein structures of the target and the ligands combined with the computational chemistry capabilities of our co-founder and strategic partner, Schrödinger Inc., or Schrödinger, give us significant competitive advantages in highly efficient and rational drug design. We design our novel compounds using iterative structural information by visualizing the interactions of the target binding site with the drug.

















We believe the strengths of our platform position us to develop oral small molecule drugs that can deliver biologic-like activity and specificity. Oral small molecules can address many of the key limitations of biologic and peptide drugs, thereby significantly improving patient access. We believe this is particularly important for the most prevalent chronic diseases including those involving the metabolic, cardiovascular, and pulmonary systems.

Our Pipeline and Programs

We pursue opportunities to target GPCRs in human diseases on the basis of validated biology, safety, development feasibility and market potential. We are building a pipeline of wholly-owned oral small molecule drugs targeting chronic diseases with unmet medical need and commercial potential. Our initial focus is in areas of metabolic, cardiovascular and pulmonary diseases.

The following table summarizes key information on our current product candidates:

Program	Indications	Preclinical		Clinical			Next Anticipated Milestones	Global Rights
		Discovery	IND-enabling	Phase 1	Phase 2	Phase 3		
 Oral GLP-1R Franchise	 GSBR-1290 GLP-1R	Type 2 Diabetes/ Obesity				<ul style="list-style-type: none"> Phase 1b/2a data 2H 2023 Nominate development candidate 2024 		
	 GSBR Next Gen Dual GLP-1R/GIPR							
 Oral APJR	 ANPA-0073 APJR	Cardio-pulmonary				<ul style="list-style-type: none"> Phase 2 ready 2024 		
 Oral LPA1R	 LTSE-2578 LPA1R	IPF				<ul style="list-style-type: none"> Phase 1 initiation 2024 		

Our lead product candidate, GSBR-1290, is an oral and biased small molecule agonist of GLP-1R, a validated GPCR drug target for T2DM and obesity. There are currently five marketed peptide molecules that target GLP-1R; collectively, these peptide therapies generated worldwide sales of \$13.2 billion in 2020. However, there are currently no approved oral small molecule therapies targeting GLP-1R. In non-human primate, or NHP, studies, GSBR-1290 demonstrated glucose-dependent insulin secretion and suppressed food intake, resulting in weight reduction. Given these findings and other compelling preclinical data, we completed a Phase 1 SAD study in healthy volunteers for GSBR-1290 in September 2022. GSBR-1290 was generally well tolerated and demonstrated dose-dependent PK and PD related activity. We submitted an IND to the FDA to support initiation of a Phase 1b proof-of-concept study in T2DM and obesity and received FDA allowance in September 2022. We initiated the Phase 1b MAD study in January 2023 and plan to submit a protocol amendment to the FDA to transition to a Phase 2a proof-of-concept study in T2DM and obesity with expected initiation in the second half of 2023. We expect to report topline data for the Phase 1b study and Phase 2a study in the second half of 2023. Beyond GSBR-1290, we are developing next generation GLP-1R candidates, including dual GLP-1R/GIPR agonists, each designed with customized properties to achieve additional benefit.

We are also developing oral small molecule therapeutics targeting other GPCRs for the treatment of pulmonary and cardiovascular diseases. Specifically, we are advancing ANPA-0073, our biased agonist, targeting APJR, a GPCR that has been implicated in IPF and PAH. In September 2022, we completed a Phase 1 SAD and MAD study evaluating ANPA-0073 in healthy human volunteers, in which it was generally well tolerated. We expect to conduct additional preclinical studies to be followed by a Phase 1 formulation bridging PK study in Australia. Additionally, we are advancing an antagonist that targets LPA1R, a GPCR implicated in responses to tissue injury and pro-fibrotic processes. We have demonstrated substantial anti-fibrotic activity of our LPA1R antagonists in mouse models of fibrotic lung disease and selected a development candidate in January 2023 and expect to initiate a first-in-human study in 2024.

At Basecamp Bio Inc., or Basecamp Bio, our wholly owned subsidiary dedicated to fueling our pipeline and pursuing drug discovery partnerships, we leverage the power of cryo-electron microscopy, or cryo-EM, machine learning and X-ray crystallography, as the basis for our molecular designs. We employ state-of-the-art small molecule hit identification, including DNA encoded library technology and affinity mass spectrometry selections for membrane proteins.

Our Management Team and Investors

We were co-founded by our Chief Executive Officer, Raymond Stevens, Ph.D., a world-renowned pioneer in the field of structure-based drug discovery, and by Schrödinger, a pioneering company in computational physics-based drug design. While at Scripps Research (formerly the Scripps Research Institute), Dr. Stevens' lab solved the first structure of a human GPCR in 2007, as well as many of the unique human GPCRs that have been structurally determined in the human proteome. This unparalleled track record of GPCR structure-based design forms one of the core elements enabling us to continually advance our platform technology.

Dr. Stevens has founded successful structure-based drug discovery companies, many of which have developed approved drugs, including Syrrx, Inc. (acquired by Takeda Pharmaceutical Co. in 2005) that developed

alogliptin (Nesina), a dipeptidyl peptidase 4 inhibitor for T2DM, and Receptos (acquired by Celgene Corporation in 2015) that developed the small molecule sphingosine-1-phosphate receptor 1, or S1P1, agonist ozanimod (Zeposia), approved for ulcerative colitis and multiple sclerosis. Prior to founding Structure Therapeutics, Dr. Stevens founded The Bridge Institute at the University of Southern California and the iHuman Institute at ShanghaiTech University. He is also the founder of the GPCR Consortium, a public-private global collaboration advancing GPCR research.

In addition, we have assembled an exceptional global management team with extensive experience in drug discovery and development, business and commercial development, and capital markets activities. Mark Bach, M.D., Ph.D., our Chief Medical Officer, has over 30 years of clinical research and pharmaceutical development experience in both Asia and the United States at Janssen Pharmaceuticals and Merck & Co, Inc. Xichen Lin, Ph.D., our Chief Scientific Officer and General Manager of Shanghai ShouTi Biotechnology Co., Ltd brings 20 years of experience in drug discovery and development at Novo Nordisk A/S and GlaxoSmithKline plc, or GSK. Yingli Ma, Ph.D., our Chief Technology Officer, brings close to 15 years of research, technology, and drug discovery experience at Amgen Inc., or Amgen, and GSK. Melita Sun Jung, our Chief Business Officer, has over 20 years of life sciences corporate strategy, business development and commercial experience at Sangamo Therapeutics, Inc., Adamas Pharmaceuticals, Inc., and Ipsen Ltd. Jun Yoon, our Chief Financial Officer and co-founder, has over 20 years of industry operating experience at Cellerant Therapeutics, Inc., VIA Pharmaceuticals, Inc. and Syrrx, Inc.

Since our inception, we have raised \$198.0 million, supported by a syndicate of leading global investors, including BVF Partners, Deep Track Capital, Eight Roads Ventures, F-Prime Capital Partners, Qiming Venture Partners, and Sequoia Capital China.

Our Strategy

Our mission is to discover and develop broadly accessible oral therapeutics to treat a wide range of chronic diseases with unmet medical need through advancements in structure-based drug discovery and computational chemistry. The key pillars of our business strategy to achieve this mission include:

- Invest in and leverage our next generation structure-based drug discovery platform to drive innovations in GPCR targeted therapies and beyond.
- Advance our GLP-1R franchise of metabolic focused assets, establishing a foundation for additional opportunities.
- Pursue additional opportunities in chronic diseases.
- Maximize the potential of our platform and portfolio through strategic partnerships.

Risks Associated with Our Business

- We have a limited operating history and have incurred significant operating losses since our inception and expect to incur significant losses for the foreseeable future.
- Even if this offering is successful, we will require substantial additional capital to finance our operations, which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate certain of our product development programs, commercialization efforts or other operations.
- Our approach to the discovery of product candidates based on our technology platform is unproven, and we do not know whether we will be able to develop any products of commercial value.
- We are early in our development efforts and only have two product candidates, GSBR-1290 and ANPA-0073, in early clinical development. All of our other development programs are in the preclinical or discovery stage. If we are unable to advance our product candidates in clinical development, obtain regulatory approval and ultimately commercialize our product candidates, or experience significant delays in doing so, our business will be materially harmed.
- Clinical and preclinical drug development involves a lengthy and expensive process with uncertain timelines and outcomes. The results of prior clinical trials and preclinical studies are not necessarily predictive of future results, and may not be favorable, or receive regulatory approval on a timely basis, if at all.

- As an organization, we have never conducted later-stage clinical trials or submitted an NDA, and may be unable to do so for any of our product candidates.
- We have conducted, or plan to conduct, our initial clinical studies for GSBR-1290, ANPA-0073, and our other product candidates outside of the United States. However, the FDA and other foreign equivalents may not accept data from such trials, in which case our development plans will be delayed, which could materially harm our business.
- We rely on third parties for the manufacture of our product candidates for preclinical and clinical development and expect to continue to do so for the foreseeable future. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.
- We have entered into, and may in the future enter into, collaboration agreements and strategic alliances to maximize the potential of our structure-based drug discovery platform and product candidates, and we may not realize the anticipated benefits of such collaborations or alliances. We expect to continue to form collaborations in the future with respect to our product candidates, but may be unable to do so or to realize the potential benefits of such transactions, which may cause us to alter or delay our development and commercialization plans.
- Our existing discovery collaboration with Schrödinger is important to our business. If we are unable to maintain this collaboration, or if this collaboration is not successful, our business could be adversely affected.
- We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than us.
- Our business and the business or operations of third parties with whom we conduct business could be adversely affected by the effects of health epidemics, including the COVID-19 pandemic, in regions where we or third parties on which we rely have business operations.
- We are highly dependent on the services of our senior management team and if we are not able to retain these members of our management team and recruit and retain additional management, clinical and scientific personnel, our business will be harmed.
- We conduct certain research and development operations through our Australian wholly-owned subsidiaries. If we lose our ability to operate in Australia, or if any of our subsidiaries are unable to receive the research and development tax credit allowed by Australian regulations, our business and results of operations could suffer.
- As a company with operations and business relationships outside of the United States, our business is subject to economic, political, regulatory and other risks associated with international operations.
- If we are unable to obtain and maintain sufficient intellectual property protection for our platform technologies and product candidates, or if the scope of the intellectual property protection is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our products may be adversely affected.
- Although the audit report included in this prospectus is prepared by auditors who are currently subject to inspection by the Public Company Accounting Oversight Board, or the PCAOB, there is no guarantee that future audit reports will be prepared by auditors subject to inspection by the PCAOB and, as such, future investors may be deprived of the benefits of such inspection. Furthermore, trading in our securities may be prohibited under the Holding Foreign Companies Accountable Act or the Accelerating Holding Foreign Companies Accountable Act if the SEC subsequently identifies that our audit work is performed by an auditor that the PCAOB is unable to inspect or investigate completely, and as a result, U.S. national securities exchanges, such as the Nasdaq, may delist our securities. As of the date of this prospectus, PricewaterhouseCoopers LLP is not subject to the determinations announced by the PCAOB on December 16, 2021.
- We have identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future or fail to maintain effective internal control over financial reporting, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations.

- A significant portion of our total outstanding shares are restricted from immediate resale, but may be sold into the market in the near future. This could cause the market price of our ADSs to drop significantly, even if our business is doing well.
- Holders of our ADSs have fewer rights than our shareholders and must act through the depositary to exercise their rights.
- The Chinese government may intervene in or influence our operations at any time, which could result in a change in our operations and impact the value of our ADSs. For additional information regarding the risks associated with having operations in China, please see the section titled "Risk Factors—Risks Related to Doing Business in China and Our International Operations".
- Both recent and future economic, political and social conditions, as well as governmental policies and regulatory actions implemented in China, could affect our ability to operate our business. Due to our operations in China, any future Chinese, U.S. or other rules and regulations that place restrictions on capital raising or other activities by companies with operations in China could affect our business, results of operations and the market price of our ADSs.
- As of the date of this prospectus, we are not required to obtain approval or prior permission of this offering from the China Securities Regulatory Commission, or the CSRC, or any other Chinese regulatory authority under the Chinese laws and regulations currently in effect. As of the date of this prospectus, neither we nor any of our subsidiaries, including but not limited to our operating company subsidiaries, have been informed by the CSRC, Cybersecurity Administration of China, or the CAC, or any other Chinese regulatory authority of any requirements, approvals or permissions that we should obtain prior to this offering. However, as there are uncertainties with respect to the Chinese legal system and changes in laws, regulations and policies, including how those laws and regulations will be interpreted or implemented, there can be no assurance that we will not be subject to such requirements, approvals or permissions in the future. If our Chinese subsidiaries do not receive or maintain permissions or approvals or inadvertently conclude that permissions or approvals needed for their business are not required, or if there are changes in applicable laws (including regulations) or interpretations of laws, and our Chinese subsidiaries are required but unable to obtain any permissions or approvals in the future, then such changes or need for approvals (if not obtained) could adversely affect the operations of our Chinese subsidiaries, including limiting or prohibiting the ability of our Chinese subsidiaries to operate, and potentially cause the value of our ADSs or ordinary shares to decline.

Regulatory Requirements in China

Revised Cybersecurity Review Measures

On July 10, 2021, the CAC published a draft revision to the existing Cybersecurity Review Measures for public comment, or the Revised Draft CAC Measures. On January 4, 2022, together with 12 other Chinese regulatory authorities, the CAC released the final version of the Revised Draft CAC Measures, or the Revised CAC Measures, which came into effect on February 15, 2022. Pursuant to the Revised CAC Measures, critical information infrastructure operators procuring network products and services, and online platform operators (as opposed to "data processors" in the Revised Draft CAC Measures) carrying out data processing activities which affect or may affect national security, shall conduct a cybersecurity review pursuant to the provisions therein. In addition, online platform operators possessing personal information of more than one million users seeking to be listed on foreign stock markets must apply for a cybersecurity review. On November 14, 2021, the CAC further published the Regulations on Network Data Security Management (Draft for Comment), or the Draft Management Regulations, under which data processors refer to individuals and organizations who determine the data processing activities in terms of the purpose and methods at their discretion. The Draft Management Regulations reiterate that data processors shall be subject to cybersecurity review if (i) they process personal information of more than one million persons and they are aiming to list on foreign stock markets, or (ii) their data processing activities affect or may affect Chinese national security. The Draft Management Regulations also request data processors seeking to list on foreign stock markets to annually assess their data security by themselves or through data security service organizations, and submit the assessment reports to relevant competent authorities. As the Draft Management Regulations are released only for public comment, the final version and the effective date thereof is subject to change.

As of the date of this prospectus, we have not received any notice from any Chinese regulatory authority identifying us as a “critical information infrastructure operator,” “online platform operator” or “data processor,” or requiring us to go through the cybersecurity review procedures pursuant to the Revised CAC Measures and the Draft Management Regulations. Based on our understanding of the Revised CAC Measures, and the Draft Management Regulations if enacted as currently proposed, we do not expect to become subject to cybersecurity review by the CAC for issuing securities to foreign investors because: (i) the clinical and preclinical data we handle in our business operations, either by its nature or in scale, do not normally trigger significant concerns over Chinese national security; and (ii) we have not processed, and do not anticipate to process in the foreseeable future, personal information for more than one million users or persons. However, there remains uncertainty as to how the Revised CAC Measures, and the Draft Management Regulations if enacted as currently proposed, will be interpreted or implemented. For example, neither the Revised CAC Measures nor the Draft Management Regulations provides further clarification or interpretation on the criteria for determining those activities that “affect or may affect national security” and relevant Chinese regulatory authorities may interpret it broadly. Furthermore, there remains uncertainty as to whether the Chinese regulatory authorities may adopt new laws, regulations, rules, or detailed implementation and interpretation in relation, or in addition, to the Revised CAC Measures and the Draft Management Regulations. While we intend to closely monitor the evolving laws and regulations in this area and take all reasonable measures to mitigate compliance risks, we cannot guarantee that our business and operations will not be adversely affected by the potential impact of the Revised CAC Measures, the Draft Management Regulations or other laws and regulations related to privacy, data protection and information security. For additional information, see the sections titled “Risk Factors—Risks Related to Doing Business in China and Our International Operations—Compliance with China’s new Data Security Law, Cybersecurity Review Measures, Personal Information Protection Law, regulations and guidelines relating to the multi-level protection scheme on cyber security and any other future laws and regulations may entail significant expenses and could affect our business,” and “Risk Factors—Risks Related to Doing Business in China and Our International Operations—The approval of, filing or other procedures with the CSRC or other Chinese regulatory agencies may be required in connection with this offering under Chinese law, and, if required, we cannot predict whether we will be able, or how long it will take us, to obtain such approval or complete such filing or other procedures.”

CRSC Regulation on Securities Offerings and Listings Outside of China

On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. These opinions call for strengthened regulation over illegal securities activities and increased supervision of overseas listings by China-based companies, and propose to take effective measures, such as promoting the construction of relevant regulatory systems to regulate the risks and incidents faced by China-based overseas-listed companies.

On December 24, 2021, the CSRC promulgated the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments), or collectively, the Drafts for Comments, which, among others, require certain companies to fulfill a filing procedure in respect of its offering and listing in the stock markets outside of the People’s Republic of China, or PRC, if such companies meet the criteria set forth in the Drafts for Comments. As the Drafts for Comments were released only for public comment, the final version and the effective date thereof is subject to change. For more details, see the section titled “Business—Regulation—Other Significant Chinese Regulation Affecting Our Business Activities in China—Regulations on Securities Offering and Listing Outside of China.”

As of the date of this prospectus, (i) we have not received any inquiry, notice, warning, sanction or any regulatory objections to this offering from the CSRC, the CAC or any other Chinese regulatory authorities that have jurisdiction over our operations; and (ii) based on our understanding of the currently effective PRC laws and regulations, we are not required to obtain approval or permission from the CSRC, the CAC or other Chinese regulatory authorities to conduct this offering. However, we cannot assure you that the relevant Chinese regulatory authorities, including the CSRC and the CAC, would reach the same conclusion as us. If such an approval, filing or other procedure is required, it is uncertain whether we will be able to obtain and how long it will take for us to obtain the approval or complete the filing or other procedures, despite our best efforts. If our Chinese subsidiaries do not receive or maintain permissions or approvals or inadvertently conclude that

permissions or approvals needed for their business are not required, or if there are changes in applicable laws (including regulations) or interpretations of laws, and our Chinese subsidiaries are required but unable to obtain any permissions or approvals in the future, then such changes or need for approvals (if not obtained) could adversely affect the operations of our Chinese subsidiaries, including limiting or prohibiting the ability of our Chinese subsidiaries to operate, and potentially cause the value of our ADSs or ordinary shares to decline. If we, for any reason, are unable to obtain or complete, or experience significant delays in obtaining or completing, the requisite relevant approval(s), filing(s) or other procedure(s), the regulatory authorities may impose fines and penalties on our operations in China, limit our operating privileges in China, revoke our business licenses, delay or restrict the repatriation of the proceeds from this offering into China or take other actions that could have an adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of the ADSs.

If the CSRC or other Chinese regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or complete filing or other procedures for this offering, we may be unable to obtain a waiver of such requirements, if and when procedures are established to obtain such a waiver. Even after the completion of this offering, our listing status and the trading of our ADSs and ordinary shares may be affected if the CSRC or other Chinese regulatory authorities determine that we were or are non-compliant with any PRC laws or regulations. Any uncertainties and/or negative publicity regarding such approval requirement could have an adverse effect on the trading price of the ADSs.

For additional information, see the section titled “Risk Factors—Risks Related to Doing Business in China and our International Operations—The approval of, filing or other procedures with the CSRC or other Chinese regulatory authorities may be required in connection with this offering under Chinese law, and, if required, we cannot predict whether we will be able, or how long it will take us, to obtain such approval or complete such filing or other procedures.”

Other

To operate our general business activities currently conducted in China, each of our Chinese subsidiaries is required to obtain a business license from the State Administration for Market Regulation, or SAMR. Each of our Chinese subsidiaries has obtained a valid business license from the SAMR, and no application for any such license has been denied.

Dividends, Distributions and Other Transfers

To date, there have not been and we do not plan to have any dividends or other distributions from our Chinese subsidiaries to our subsidiaries located outside of China. In addition, as of the date of this prospectus, none of our subsidiaries have ever issued any dividends or distributions to us or their respective shareholders outside of China. As of the date of this prospectus, neither we nor any of our subsidiaries have ever paid or plan to pay any dividends or made distributions to U.S. investors. In the future, cash proceeds raised from overseas financing activities, including this offering, may be transferred by us to our Chinese subsidiaries via capital contribution or shareholder loans, as the case may be.

According to the Foreign Investment Law of the People’s Republic of China and its implementing rules, which jointly established the legal framework for the administration of foreign-invested companies, a foreign investor may, in accordance with other applicable laws, freely transfer into or out of China its contributions, profits, capital earnings, income from asset disposal, intellectual property, royalties acquired, compensation or indemnity legally obtained, and income from liquidation, made or derived within the territory of China in renminbi, or RMB, or any foreign currency, and any entity or individual shall not illegally restrict such transfer in terms of the currency, amount and frequency. According to the Company Law of the People’s Republic of China and other Chinese laws and regulations, our Chinese subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with Chinese accounting standards and regulations. In addition, each of our Chinese subsidiaries is required to set aside at least 10% of its accumulated after-tax profits, if any, each year to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Where the statutory reserve fund is insufficient to cover any loss the Chinese subsidiary incurred in the previous financial year, such Chinese subsidiary’s current financial year’s accumulated after-tax profits shall first be used to cover the loss before any statutory reserve fund is drawn therefrom. Such statutory reserve funds and the accumulated after-tax profits that are used for covering the loss

cannot be distributed to us as dividends. At their discretion, our Chinese subsidiaries may allocate a portion of their after-tax profits based on Chinese accounting standards to a discretionary reserve fund.

Within our company, registered capital contributions to our Chinese subsidiary Shanghai ShouTi Biotechnology Co., Ltd. are made by our Hong Kong subsidiary ShouTi Hong Kong Limited, and to Shanghai Basecamp Biotechnology Co., Ltd. by Basecamp Bio Hong Kong Limited. Payments for intercompany services which include research and development and administrative expenses are made directly to our Chinese subsidiaries by our non-Chinese subsidiaries.

RMB is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our Chinese subsidiaries to use their potential future RMB revenues to pay dividends to us. The Chinese government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of China. Shortages in availability of foreign currency may then restrict the ability of our Chinese subsidiaries to remit sufficient foreign currency to our offshore entities for our offshore entities to pay dividends or make other payments or otherwise to satisfy our foreign-currency-denominated obligations. The RMB is currently convertible under the "current account," which includes dividends, trade and service-related foreign exchange transactions, but not under the "capital account," which includes foreign direct investment and foreign currency debt, including loans we may secure for our onshore subsidiaries. Currently, our Chinese subsidiaries may purchase foreign currency for settlement of "current account transactions," including payment of dividends to us, without the approval of the State Administration of Foreign Exchange of China, or SAFE, by complying with certain procedural requirements. However, the relevant Chinese governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. The Chinese government may continue to strengthen its capital controls, and additional restrictions and substantial vetting processes may be instituted by SAFE for cross-border transactions falling under both the current account and the capital account. Any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in RMB to fund our business activities outside of China or pay dividends in foreign currencies to holders of our securities. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE and other relevant Chinese governmental authorities. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries. ADS holders may potentially be subject to Chinese taxes on dividends paid by us in the event we are deemed a Chinese resident enterprise for Chinese tax purposes. See "Taxation—PRC Taxation" for more details.

Financial Update

While we have not finalized our financial closing procedures as of and for the year ended December 31, 2022, we expect to report that we had approximately \$90.8 million of cash, cash equivalents and short-term investments as of December 31, 2022. This amount is unaudited and preliminary and is subject to completion of financial closing procedures. As a result, this amount may differ from the amount that will be reflected in our consolidated financial statements as of and for the year ended December 31, 2022. Our consolidated financial statements for the year ended December 31, 2022 will not be available until after this offering is completed, and consequently will not be available to you prior to investing in this offering.

The preliminary financial data included in this registration statement has been prepared by, and is the responsibility of, management. PricewaterhouseCoopers LLP has not audited, reviewed, examined, compiled, nor applied agreed-upon procedures with respect to the preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

Corporate Information

We are a Cayman Islands exempted company incorporated with limited liability. We were initially formed as a Delaware corporation in 2016 under the name ShouTi Inc., and reorganized as a Cayman Islands exempted company in 2019. Our principal executive office is located at 611 Gateway Blvd., Suite 223, South San Francisco, California 94080 and our telephone number is (628) 229-9277. The principal executive office of our research and development operations is located at Unit 02, F5, No. 1, Lane 2889, Jinke Road, China (Shanghai) Free Trade Zone, Shanghai, People's Republic of China, 201203. Our telephone number at this address is 86 21 61215839. Our current registered office in the Cayman Islands is located at the offices of

International Corporation Services Ltd., P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands.

Our website is www.structuretx.com. Information contained on, or accessible through, our website shall not be deemed incorporated into, and is not a part of, this prospectus or the registration statement of which it forms a part. We have included our website in this prospectus solely as an inactive textual reference.

Trademarks and Service Marks

We use the name Structure Therapeutics, the Structure Therapeutics logo and marks in the United States and other countries. This prospectus contains references to our trademarks, trade names and service marks and to those belonging to other entities. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert their rights thereto.

Implications of Being an Emerging Growth Company and Smaller Reporting Company

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act, or JOBS Act, enacted in April 2012, and we may remain an emerging growth company for up to five years following the completion of this offering. For so long as we remain an emerging growth company, we are permitted and intend to rely on certain exemptions from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation-related information that would be required if we were not an emerging growth company. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold shares.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period and, therefore, we are not subject to the same requirements to adopt new or revised accounting standards as other public companies that are not emerging growth companies; however, we may adopt certain new or revised accounting standards early. We would cease to be an “emerging growth company” upon the earliest to occur of: (i) the last day of the fiscal year in which we have \$1.235 billion or more in annual revenue; (ii) the date on which we first qualify as a large accelerated filer under the rules of the Securities and Exchange Commission, or SEC; (iii) the date on which we have, in any three-year period, issued more than \$1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of this offering.

We are also a “smaller reporting company” as defined in the Securities Exchange Act of 1934, as amended, or Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our ordinary shares held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and our ordinary shares held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

	The Offering
ADSs to be offered	8,950,000 ADSs, each ADS representing three ordinary shares.
Underwriters' option to purchase additional ADSs	We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to an aggregate of 1,342,500 additional ADSs.
ADSs to be outstanding immediately after this offering	8,950,000 ADSs (or 10,292,500 ADSs if the underwriters exercise their option to purchase additional ADSs in full).
Ordinary shares to be outstanding immediately after completion of this offering	104,394,741 ordinary shares (or 108,422,241 ordinary shares if the underwriters exercise their option to purchase additional ADSs in full). Immediately after completion of this offering and assuming the underwriters do not exercise their option to purchase additional ADSs, approximately 25.7% of our ordinary shares represented by ADSs will be held by our public shareholders.
The ADSs	<p>Each ADS represents three ordinary shares. The ADSs may be evidenced by American depositary receipts.</p> <p>The depositary will hold the ordinary shares underlying your ADSs, and you will have the rights of an ADS holder as provided in the deposit agreement among us, the depositary and the holders and beneficial owners of ADSs.</p> <p>We do not expect to pay any dividends on our ADSs in the foreseeable future. If we declare dividends on our ordinary shares, the depositary will distribute to holders of ADSs the cash dividends and other distributions it receives on the underlying ordinary shares, after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement. See the section titled "Dividend Policy" for additional information.</p> <p>You may turn in your ADSs to the depositary for cancellation and receipt of the corresponding ordinary shares. The depositary will charge you fees for the cancellation of ADSs and delivery of the corresponding ordinary shares.</p> <p>We may amend or terminate the deposit agreement without your consent. If an amendment becomes effective and you continue to hold your ADSs, you will be bound by the deposit agreement as amended.</p> <p>To better understand the terms of the ADSs, you should carefully read the section titled "Description of American Depositary Shares." You should also read the deposit agreement, which is filed as an exhibit to the registration statement of which this prospectus forms a part.</p>

Use of proceeds	<p>We estimate that the net proceeds from this offering will be approximately \$111.5 million (or approximately \$129.0 million if the underwriters exercise in full their option to purchase up to 1,342,500 additional ADSs), based on the assumed initial public offering price of \$14.00 per ADS (the midpoint of the estimated price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.</p> <p>We intend to use the net proceeds from this offering, along with our existing cash, cash equivalents and short-term investments: (i) to advance the development of our GLP-1R franchise, including the completion of a Phase 1b MAD study and Phase 2a proof-of-concept study, and next generation GLP-1R candidates, including dual GLP-1R/GIPR agonists; (ii) (a) to advance the development of our APJR agonist program, including through the initiation of a Phase 1 formulation bridging PK study as well as additional preclinical studies in IPF and PAH, and (b) to advance the development of our LPA1R antagonist program, including preclinical development and the initiation of our first-in-human study in IPF; and (iii) the remaining proceeds to fund our other research and development programs and general corporate purposes, including hiring additional personnel, capital expenditures and operating costs. See the section titled "Use of Proceeds" for additional information.</p>
Risk factors	<p>You should read the section titled "Risk Factors" for a discussion of factors to consider carefully, together with all the other information included in this prospectus, before deciding to invest in our ADSs.</p>
Depository	<p>JPMorgan Chase Bank, N.A.</p>
Proposed Nasdaq Global Market symbol	<p>"GPCR"</p>
Directed share program	<p>At our request, the underwriters have reserved up to 5% of the ADSs offered by this prospectus, excluding the additional ADSs that the underwriters have a 30-day option to purchase, for sale, at the initial public offering price, to certain of our directors, officers, employees, and other persons related to us. If purchased by our directors and officers, these ADSs will be subject to a 180-day lock-up restriction. The number of ADSs available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved ADSs that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus. See the section titled "Underwriting—Directed Share Program" for additional information.</p>

The number of ordinary shares to be outstanding after this offering is based on 77,544,741 ordinary shares outstanding as of September 30, 2022 (including 572,742 restricted ordinary shares that remained subject to repurchase rights as of such date, and assuming or after giving effect to the automatic conversion of all of our preferred shares outstanding), and excludes:

- 7,329,664 ordinary shares issuable upon the exercise of outstanding options as of September 30, 2022, with a weighted-average exercise price of \$1.55 per share;
- 397,500 ordinary shares issuable upon the exercise of outstanding options granted subsequent to September 30, 2022, with a weighted-average exercise price of \$3.06 per share;
- 112,279 ordinary shares issuable upon the exercise of outstanding warrants as of September 30, 2022, with a weighted-average exercise price of \$0.48 per share;
- 13,259,933 ordinary shares reserved for future issuance under our 2023 Equity Incentive Plan, or 2023 Plan, as well as any automatic increases in the number of ordinary shares reserved for future issuance under the 2023 Plan, which will become effective immediately prior to and contingent upon the execution of the underwriting agreement for this offering (including 1,259,933 ordinary shares reserved for issuance under our 2019 Equity Incentive Plan, or 2019 Plan, which shares will be added to the 2023 Plan upon its effectiveness); and
- 1,000,000 ordinary shares reserved for future issuance under our 2023 Employee Share Purchase Plan, or ESPP, as well as any automatic increases in the number of ordinary shares reserved for future issuance under the ESPP, which will become effective immediately prior to and contingent upon the execution of the underwriting agreement for this offering.

Unless otherwise indicated, all information contained in this prospectus, including the number of ordinary shares that will be outstanding after this offering, assumes or gives effect to:

- the conversion of all outstanding preferred shares into an aggregate of 67,018,087 ordinary shares immediately upon the closing of this offering;
- no exercise by the underwriters of their option to purchase up to 1,342,500 additional ADSs;
- no exercise of the outstanding options described above; and
- the effectiveness of our amended and restated memorandum and articles of association, which will occur immediately upon the closing of this offering.

Summary Consolidated Financial Data

The following tables set forth a summary of our consolidated financial data as of, and for the periods ended on, the dates indicated. We have derived the summary consolidated statements of operations and comprehensive loss data for the years ended December 31, 2020 and 2021, from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the summary condensed consolidated statements of operations and comprehensive loss data for the nine months ended September 30, 2021 and 2022, and the summary condensed consolidated balance sheet data as of September 30, 2022, from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements and condensed consolidated financial statements appearing elsewhere in this prospectus have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. Our unaudited condensed consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and include, in our opinion, all adjustments of a normal and recurring nature that are necessary for the fair statement of the financial information set forth in those statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of results that should be expected in any future period. You should read the following summary consolidated financial data together with our consolidated financial statements and condensed consolidated financial statements and related notes included elsewhere in this prospectus and in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	YEAR ENDED DECEMBER 31,		NINE MONTHS ENDED SEPTEMBER 30,	
	2020	2021	2021	2022
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
Statements of Operations and Comprehensive Loss Data:				
Operating expenses:				
Research and development	\$ 12,364	\$ 29,111	\$ 19,204	\$ 27,833
General and administrative	3,542	8,585	5,218	11,772
Total operating expenses	15,906	37,696	24,422	39,605
Loss from operations	(15,906)	(37,696)	(24,422)	(39,605)
Interest and other income (expense), net	168	(122)	(121)	356
Loss before income tax expense	(15,738)	(37,818)	(24,543)	(39,249)
Provision for income taxes	138	231	150	197
Net loss	\$ (15,876)	\$ (38,049)	\$ (24,693)	\$ (39,446)
Net loss per share attributable to ordinary shareholders, basic and diluted	\$ (2.56)	\$ (5.38)	\$ (3.56)	\$ (4.34)
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	6,262	8,141	7,955	9,428
Pro forma net loss per share attributable to ordinary shareholders, basic and diluted ⁽¹⁾		\$ (0.53)	\$ (0.52)	\$ (0.52)
Pro forma weighted-average shares used in computing pro forma net loss per share attributable to ordinary shareholders, basic and diluted ⁽¹⁾		75,159,304	76,446,495	

⁽¹⁾ The unaudited basic and diluted pro forma net loss per share for the year ended December 31, 2021 and for the nine months ended on September 30, 2022 exclude the effects of the accretion of redeemable convertible preferred shares to redemption value and were computed using the weighted-average number of ordinary shares outstanding, including the pro forma effect of the conversion of all outstanding redeemable convertible preferred shares into ordinary shares, as if such conversion had occurred at the beginning of the applicable period.

	AS OF SEPTEMBER 30, 2022		
	ACTUAL	PRO FORMA ⁽¹⁾	PRO FORMA AS ADJUSTED ⁽²⁾⁽³⁾
	(IN THOUSANDS)		
Balance Sheet Data:			
Cash, cash equivalents and short-term investments	\$ 102,751	\$ 102,751	\$ 216,463
Working capital ⁽⁴⁾	92,538	92,538	206,286
Total assets	108,406	108,406	219,849
Total liabilities	12,344	12,344	12,308
Redeemable convertible preferred shares	199,975	—	—
Accumulated deficit	(105,077)	(105,719)	(105,719)
Total shareholders' (deficit) equity	(103,913)	96,062	207,541

(1) The pro forma balance sheet data gives effect to (i) the automatic conversion of all of our outstanding preferred shares into an aggregate of 67,018,087 ordinary shares immediately upon the closing of this offering and (ii) the effectiveness of our amended and restated memorandum and articles of association immediately upon the closing of this offering.

(2) The pro forma as adjusted balance sheet data gives effect to (i) the pro forma adjustments set forth in footnote (1) above and (ii) our receipt of net proceeds from the sale of 8,950,000 ADSs in this offering, based on the assumed initial public offering price of \$14.00 per ADS (the midpoint of the estimated price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each \$1.00 increase (decrease) in the assumed initial public offering price of \$14.00 per ADS would increase (decrease) each of our pro forma as adjusted cash, cash equivalents and short-term investments, total assets, working capital and total shareholders' (deficit) equity by approximately \$8.3 million, assuming that the number of ADSs offered, as set forth on the cover of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1,000,000 ADSs in the number of ADSs offered by us would increase (decrease) each of our pro forma cash, cash equivalents and short-term investments, total assets, working capital and total shareholders' (deficit) equity by approximately \$13.0 million, assuming the assumed initial public offering price per ADS remains the same and after deducting the estimated underwriting discounts and commissions.

(3) This pro forma as adjusted information is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing.

(4) Working capital is defined as current assets less current liabilities. See our condensed consolidated financial statements and the related notes included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

RISK FACTORS

Investing in our ADSs involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this prospectus, including our consolidated financial statements and their related notes included elsewhere in this prospectus and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" before making an investment decision. If any of the following risks actually occurs, our business, prospects, operating results and financial condition could suffer materially, the trading price of our ADSs could decline and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial also may materially and adversely affect our business, prospects, operating results and financial condition.

Risks Related to Our Limited Operating History, Financial Position and Capital Requirements

We have a limited operating history and have incurred significant operating losses since our inception and expect to incur significant losses for the foreseeable future.

Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. We are a clinical-stage biopharmaceutical company with a limited operating history, which may make it difficult to evaluate the success of our business to date and assess our future viability. Since our inception in 2016, we have focused primarily on organizing and staffing our company, business planning, establishing our intellectual property portfolio, raising capital, developing our structure-based drug discovery platform, identifying and developing our product candidates, conducting preclinical studies and, more recently, clinical trials, and providing general and administrative support for these operations. Our approach to the discovery and development of product candidates based on our structure-based drug discovery platform is unproven, and we do not know whether we will be able to develop any product candidates that succeed in clinical development or commercially. Further, GSB-1290, our product candidate for T2DM and obesity, and ANPA-0073, our product candidate for IPF and PAH, are in early clinical development and our other product candidates and programs are in preclinical development or discovery stages. Accordingly, we have not yet demonstrated an ability to successfully obtain regulatory approvals, manufacture a commercial scale product or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a history of successfully developing and commercializing biopharmaceutical products.

We have no products approved for commercial sale and have not generated any revenue to date, and we continue to incur significant research and development and other expenses related to our ongoing operations. As a result, we are not profitable and have incurred significant losses since our inception and expect to continue to incur significant and increasing operating losses for at least the next several years. Our net losses were \$15.9 million and \$38.0 million for the years ended December 31, 2020 and 2021, respectively, and net losses of \$24.7 million and \$39.4 million for the nine months ended September 30, 2021 and 2022, respectively. As of September 30, 2022, we had an accumulated deficit of \$105.1 million. Substantially all of our losses have resulted from expenses incurred in connection with our research and development programs and from general and administrative costs associated with our operations. All of our product candidates will require substantial additional development time and resources before we would be able to apply for or receive marketing approvals and begin generating revenue from product sales. We expect to continue to incur losses for the foreseeable future, and we anticipate that our expenses will increase substantially as we continue our development of, seek marketing approval for and potentially commercialize any of our product candidates, recruit and maintain key personnel and seek to identify, assess, acquire, in-license or develop additional product candidates.

Even if we succeed in developing and obtaining marketing approval for one or more product candidates, we may never generate revenue that is significant enough to achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis and we will continue to incur substantial research and development and other expenditures to develop and market additional product candidates. Our failure to become and remain profitable could decrease the value of our ADSs and impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations.

Even if this offering is successful, we will require substantial additional capital to finance our operations, which may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate certain of our product development programs, commercialization efforts or other operations.

The development of biopharmaceutical product candidates is capital-intensive. We expect our expenses to increase substantially in connection with our ongoing and planned activities, particularly as we conduct our ongoing and planned preclinical studies and clinical trials of GSK-1290, ANPA-0073, and any future product candidates we may develop. Our expenses will increase substantially if our product candidates successfully complete early clinical and other studies, and also could increase beyond expectations if the FDA or foreign authorities require us to perform clinical and other studies in addition to those that we currently anticipate. Because the outcome of any clinical trial or preclinical study is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of our product candidates. In addition, following the completion of this offering, we expect to incur additional costs associated with operating as a public company. Furthermore, if we obtain marketing approval for our product candidates, we expect to incur significant expenses related to manufacturing, marketing, sales and distribution. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or any future commercialization efforts.

Based on our current operating plan, we believe that our existing cash, cash equivalents and short-term investments, together with the net proceeds of this offering, will be sufficient to fund our operating expenses and capital expenditure requirements through at least 2025. We have based these estimates on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned, through equity offerings, debt financings or other capital sources, including potentially grants, collaborations, licenses and other similar arrangements. Even if we believe we have sufficient capital for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations.

Any additional capital raising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and, if approved, commercialize our current and any future product candidates. Additional funding may not be available on acceptable terms, or at all. As a result of the COVID-19 pandemic and actions taken to slow its spread, as well as actual or anticipated changes in interest rates and economic inflation and the impact of the Russian/Ukraine conflict, the global credit and financial markets have experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, and uncertainty about economic stability. If the equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly or more dilutive.

Our future funding requirements will depend on many factors, including:

- the progress, costs, design, results of and timing of our planned and ongoing preclinical studies and clinical trials;
- the willingness of the FDA or applicable foreign authorities to accept our clinical trials, as well as data from our planned and ongoing preclinical studies and clinical trials and other work, as the basis for review and approval of our product candidates;
- the outcome, costs and timing of seeking and obtaining FDA and applicable foreign regulatory approvals;
- the number and characteristics of product candidates that we pursue;
- our need to expand our research and development capabilities, including further development of our structure-based drug discovery platform or in-licensing of complementary technologies;
- the costs and timing associated with manufacturing our product candidates, and establishing commercial supplies and sales, marketing, and distribution capabilities;
- our efforts to maintain, expand, and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in

connection with the licensing, filing, prosecution, defense, and enforcement of any patents or other intellectual property rights;

- our need and ability to retain key management and hire scientific, technical, business, and medical personnel;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems;
- the costs associated with operating as a public company;
- the economic and other terms, timing of and success of our current and any future collaboration, licensing or other arrangements which we may enter in the future;
- the timing, receipt, and amount of sales from our potential products, if approved; and
- costs associated with any delays or issues caused by the ongoing COVID-19 pandemic.

If we are unable to raise additional capital 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 product candidates that we would otherwise prefer to develop and market ourselves, and our ability to grow and support our business and to respond to market challenges could be significantly limited, which could have a material adverse effect on our business, financial condition and results of operations.

Raising additional capital may cause dilution to our shareholders, including purchasers of ADSs in this offering, restrict our operations or require us to relinquish rights to our technologies or product candidates.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our operations through equity offerings, debt financings or other capital sources, including potentially grants, collaborations, licenses or other similar arrangements. 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 of these securities may include liquidation or other preferences that adversely affect your rights as an ADS holder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as limitations on our ability to incur additional debt, make capital expenditures or declare dividends. If we raise funds through collaborations or licensing arrangements with third parties, we may be required to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us.

Risks Related to the Discovery, Development and Regulatory Approval of Product Candidates

Our approach to the discovery of product candidates based on our technology platform is unproven, and we do not know whether we will be able to develop any products of commercial value.

The success of our business depends primarily upon our ability to identify novel product candidates based on our structure-based drug discovery platform and to successfully develop and commercialize those product candidates. While we have had favorable preclinical study results for certain of our development programs, we have not yet succeeded and may not succeed in demonstrating efficacy and safety for any product candidates in clinical trials or in obtaining marketing approvals or in commercializing such product candidates. We also may be unsuccessful in identifying additional product candidates using our platform, and any of our product candidates may be shown to have harmful side effects or may have other characteristics that may necessitate additional clinical testing, or make the product candidates unmarketable or unlikely to receive marketing approval. In particular, because all of our product candidates have been derived from our structure-based drug discovery platform, any failure of one of our development programs could create a perception that our other programs are less likely to succeed or that our discovery platform is not viable. Similarly, adverse developments with respect to other companies that attempt to use a similar approach to our approach may adversely impact the actual or perceived value and potential of our discovery platform and resulting product candidates.

If any of these events occur, our ability to successfully discover, develop and commercialize any product candidates may be impaired and the value of our company could decline significantly.

We are early in our development efforts and only have two product candidates, GSB-1290 and ANPA-0073, in early clinical development. All of our other development programs are in the preclinical or discovery stage. If we are unable to advance our product candidates in clinical development, obtain regulatory approval and ultimately commercialize our product candidates, or experience significant delays in doing so, our business will be materially harmed.

We are in the early stages of our development efforts and have two product candidates, GSB-1290 and ANPA-0073, in early clinical development. We completed a Phase 1 SAD study of GSB-1290 in healthy volunteers in September 2022 for T2DM and obesity. Furthermore, we initiated the Phase 1b multiple ascending dose, or MAD, study in January 2023 and plan to submit a protocol amendment to the FDA to transition to a Phase 2a proof-of-concept study in T2DM and obesity with expected initiation in the second half of 2023. Additionally, we completed our Phase 1 SAD and MAD study for ANPA-0073 in healthy volunteers for IPF and PAH in September 2022. Our other product candidates are still in the preclinical or discovery stages. We will need to progress early product candidates through preclinical studies and submit INDs to the FDA or appropriate regulatory documents to applicable foreign authorities prior to initiating their clinical development.

Our ability to generate product revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of our product candidates. The success of our product candidates will depend on several factors, including the following:

- completion of preclinical studies with favorable results;
- successful enrollment in, and completion of, clinical trials;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- allowance to proceed with clinical trials under INDs by the FDA or under similar regulatory submissions by applicable foreign authorities for the conduct of clinical trials of our product candidates and our proposed design of future clinical trials;
- demonstrating the safety and efficacy of our product candidates to the satisfaction of applicable regulatory authorities;
- receipt of regulatory approvals from applicable regulatory authorities, including new drug applications, or NDAs, from the FDA and maintaining such approvals;
- making arrangements with third-party manufacturers, or establishing clinical and commercial manufacturing capabilities for our product candidates;
- establishing sales, marketing and distribution capabilities and launching commercial sales of our products, if and when approved, whether alone or in collaboration with others;
- establishing and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- acceptance of any products we develop and their benefits and uses, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors;
- maintaining an acceptable safety profile of our products following approval; and
- building and maintaining an organization of people who can successfully develop our product candidates.

We have not yet succeeded and may not succeed in demonstrating efficacy and safety for any product candidates in clinical trials or in obtaining marketing approval thereafter. Given our early stage of development, it will take several years before we can demonstrate the safety and efficacy of a product candidate sufficient to warrant approval for commercialization, if we can do so at all. If we are unable to develop, or obtain marketing approval for, or, if approved, successfully commercialize our product candidates, we may not be able to generate sufficient revenue to continue our business.

Clinical and preclinical drug development involves a lengthy and expensive process with uncertain timelines and outcomes. The results of prior clinical trials and preclinical studies are not necessarily predictive of future results, and may not be favorable, or receive regulatory approval on a timely basis, if at all.

Clinical drug development is expensive and can take many years to complete, and its outcome is inherently uncertain. Our clinical trials may not be conducted as planned or completed on schedule, if at all, and failure can occur at any time during the preclinical study or clinical trial process. For example, we depend on the availability of non-human primates, or NHPs, to conduct certain preclinical studies that we are required to complete prior to submitting an IND and initiating clinical development. There is currently a global shortage of NHPs available for drug development, due in part to an increase in demand from companies and other institutions developing vaccines and treatments for COVID-19. This has caused the cost of obtaining NHPs for our preclinical studies to increase dramatically and, if the shortage continues, could also result in delays to our development timelines. Despite promising preclinical or clinical results, any product candidate can unexpectedly fail at any stage of preclinical or clinical development. The historical failure rate for product candidates in our industry is high. Furthermore, the results from clinical trials or preclinical studies of a product candidate may not predict the results of later clinical trials of the product candidate, and interim results of a clinical trial are not necessarily indicative of final results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy characteristics despite having progressed through preclinical studies and initial clinical trials. In particular, while we have conducted, or are conducting certain preclinical studies of our product candidates, the predictive value of these studies with respect to future testing in humans is limited, particularly in indications where animal models are less developed.

Even if our clinical trials are completed, the results may not be sufficient to obtain marketing approval for our product candidates. In clinical trials that are based on preclinical studies and early clinical trials, it is not uncommon to observe unexpected results, and many product candidates fail in clinical development despite very promising early results. Moreover, preclinical and clinical data may be susceptible to varying interpretations and analyses. A number of companies in the biopharmaceutical industry have suffered significant setbacks in clinical development even after achieving promising results in earlier studies. In addition, in some cases, external experts or regulatory authorities disagreed with such companies' views and interpretations of the data and results from earlier preclinical studies or clinical trials. As we investigate GSB-1290 for T2DM and obesity and ANPA-0073 for IPF and PAH, we may encounter new and unforeseen difficulties. For example, we recently completed a 13-week toxicology study evaluating GSB-1290 in NHPs to support the protocol amendment for our planned Phase 2a study, in which we observed low to moderate levels of liver necrosis across all dosing groups, including the control group. Although the liver necrosis observed in the NHP study were not attributed to GSB-1290, the FDA may disagree or take action which could delay our GSB-1290 program and harm our business and financial condition. Similarly any future product candidates we may develop may not be able to progress from preclinical to Phase 1 clinical development. For the foregoing reasons, we cannot be certain that our ongoing and planned clinical trials and preclinical studies will be successful. Any of the foregoing occurrences may harm our business, financial condition and prospects significantly.

Any difficulties or delays in the commencement or completion, or termination or suspension, of our planned clinical trials could result in increased costs to us, delay or limit our ability to generate revenue and adversely affect our commercial prospects.

In order to obtain FDA approval to market our product candidates, we must demonstrate the safety and efficacy of our product candidates in humans to the satisfaction of the FDA. To meet these requirements, we will have to conduct adequate and well-controlled clinical trials. Clinical testing is expensive, time-consuming and subject to uncertainty. Conducting preclinical studies and clinical trials represents a lengthy, time-consuming and expensive process. The length of time may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. Delays associated with programs for which we are directly conducting preclinical studies may cause us to incur additional operating expenses.

Clinical trials may not be conducted as planned or completed on schedule, if at all. Events that may prevent successful or timely completion of clinical development include:

- delays in reaching a consensus with applicable regulatory authorities on trial design or implementation;
- delays in obtaining regulatory authorization to commence a clinical trial;

- delays in reaching agreement on acceptable terms with prospective clinical research organizations, or CROs, other vendors, or clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different vendors and trial sites;
- delays in obtaining approval from one or more institutional review boards, or IRBs, refusing to approve, suspending or terminating the trial at an investigational site, precluding enrollment of additional participants, or withdrawing their approval of the trial;
- delays in recruiting suitable patients to participate in our ongoing and planned clinical trials;
- changes to the clinical trial protocol;
- clinical sites deviating from trial protocol or dropping out of a trial;
- delays in manufacturing sufficient quantities of our product candidates for use in clinical trials, or delays in sufficiently developing, characterizing or controlling a manufacturing process suitable for clinical trials;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- participants choosing an alternative treatment for the indication for which we are developing our product candidates, or participating in competing clinical trials;
- lack of adequate funding to continue a clinical trial;
- occurrence of adverse effects, or AEs, or serious adverse effects, or SAEs, associated with the product candidate that are viewed to outweigh its potential benefits;
- occurrence of SAEs in clinical trials of the same class of agents conducted by other companies;
- imposition of a temporary or permanent clinical hold by regulatory authorities;
- selection of clinical trial end points that require prolonged periods of clinical observation or analysis of the resulting data;
- clinical trials producing negative or inconclusive results;
- a facility manufacturing our product candidates or any of their components being ordered by the FDA or applicable foreign authorities to temporarily or permanently shut down due to violations of current good manufacturing practice, or cGMP, regulations or other applicable requirements, or contamination or cross-contaminations of product candidates in the manufacturing process;
- third-party clinical investigators losing the licenses or permits necessary to perform our clinical trials, not performing our clinical trials on our anticipated schedule or consistent with the clinical trial protocol or other regulatory requirements or committing fraud; or
- changes in regulatory requirements, guidance, or feedback from regulatory agencies that require amending or submitting new clinical protocols or otherwise modifying the design of our clinical trials.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by a Data Safety Monitoring Board for such trial or by the FDA or applicable foreign authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or applicable foreign authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. In addition, changes in regulatory requirements and policies may occur, and we may need to amend clinical trial protocols to comply with these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs for reexamination and approval, which may impact the costs, timing or successful completion of a clinical trial.

Further, conducting clinical trials in foreign countries, as we may do for our product candidates, presents additional risks that may delay completion of our clinical trials. These risks include the failure of enrolled patients in foreign countries to adhere to clinical protocols as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with foreign regulatory requirements, as well as political, currency exchange and other economic risks relevant to such foreign countries. In addition, disruptions caused by the COVID-19 pandemic may increase the likelihood that we encounter

difficulties or delays in initiating, screening, enrolling, conducting, or completing our ongoing and planned preclinical studies and clinical trials. Clinical site initiation and patient screening and enrollment may be delayed due to prioritization of hospital resources toward the COVID-19 pandemic. Investigators and patients may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services. Similarly, our ability to recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19, could be limited, which in turn could adversely impact our clinical trial operations. Additionally, we may experience interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel, quarantines or social distancing protocols imposed or recommended by federal or state governments, employers and others in connection with the ongoing COVID-19 pandemic. As a result of the COVID-19 pandemic, we have faced and may continue to face delays in meeting our anticipated timelines for our ongoing and planned clinical trials. To date, we have experienced delays in our patient enrollment and our supply chain as a direct result of COVID-19 on our suppliers' ability to timely manufacture and ship certain supplies such as reagents and other lab consumables. These delays have not resulted in a material impact on our operations; however, such delays have previously impacted and could in the future adversely affect our business, financial condition, results of operations and growth prospects.

Any inability to successfully complete preclinical and clinical development could result in additional costs to us or impair our ability to generate revenue from future product sales and regulatory and commercialization milestones. In addition, if we make manufacturing or formulation changes to our product candidates, we may need to conduct additional testing to bridge our modified product candidate to earlier versions. For example, to facilitate potential commercial-scale manufacturing, we expect to transition from capsule formulations of our product candidates used for early clinical trials to tablet formulations, including the addition of excipients, in later stage clinical trials. While these formulation transitions are common for small molecule drug candidates, we cannot guarantee that we will not encounter delays or unexpected results in bridging studies or implementing necessary changes to the manufacturing process. Clinical trial delays could also shorten any periods during which we may have the exclusive right to commercialize our product candidates, if approved, or allow our competitors to bring comparable products to market before we do, which could impair our ability to successfully commercialize our product candidates and may harm our business, financial condition, results of operations and prospects.

Enrollment and retention of patients in clinical trials is an expensive and time-consuming process and could be made more difficult or rendered impossible by multiple factors outside our control, which could adversely affect our business, operating results and prospects.

Patient enrollment is a significant factor impacting the duration of our clinical trials, along with treatment duration and completion of required follow-up periods. Clinical trials may be prolonged, or we may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate as required by the FDA or applicable foreign authorities. For certain of our product candidates, including ANPA-0073, the conditions which we may evaluate include rare diseases with limited patient pools from which to draw. In some cases, patient populations for rare diseases are located at specific academic sites focused on such indications, often with multiple competing clinical trials. Potential patients for any planned clinical trials may not be adequately diagnosed or identified with the diseases which we are targeting or may not meet the entry criteria for such trials. We also may encounter difficulties in identifying and enrolling patients with a stage of disease appropriate for our planned clinical trials and monitoring such patients adequately during and after treatment. As noted above, other pharmaceutical companies targeting these same diseases are recruiting clinical trial patients from these patient populations, which may make it more difficult to fully enroll our clinical trials. In addition, the process of finding and diagnosing patients may prove costly.

The eligibility criteria of our clinical trials, once established, may further limit the pool of available trial participants. If the actual number of patients with these diseases is smaller than we anticipate, we may encounter difficulties in enrolling patients in our clinical trials, thereby delaying or preventing development and approval of our product candidates. Even once enrolled we may be unable to retain a sufficient number of patients to complete any of our trials.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the study until its conclusion. We may

experience difficulties in patient enrollment or retention in our clinical trials for a variety of reasons. Patient enrollment and retention in clinical trials depends on many factors, including:

- the size and nature of the patient population;
- the severity of the disease under investigation;
- the design of the trial protocol;
- the existing body of safety and efficacy data for the product candidate;
- the number and nature of competing treatments and ongoing clinical trials of competing therapies for the same indication;
- the proximity of patients to clinical sites;
- the eligibility criteria for the trial;
- the ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the ability to adequately monitor patients during a trial, clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied;
- the risk that patients will drop out of a trial before completing all site visits; and
- clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies.

Furthermore, our efforts to build relationships with patient communities may not succeed, which could result in delays in patient enrollment in our clinical trials. In addition, any negative results we may report in clinical trials of our product candidate may make it difficult or impossible to recruit and retain patients in other clinical trials of that same product candidate. Delays or failures in planned patient enrollment or retention may result in increased costs, program delays or both, which could have a harmful effect on our ability to develop our product candidates, or could render further development impossible. For example, the impact of public health epidemics, such as the ongoing COVID-19 pandemic, may delay or prevent patients from enrolling or from receiving treatment in accordance with the protocol and the required timelines, which could delay our clinical trials, or prevent us or our partners from completing our clinical trials at all, and harm our ability to obtain approval for such product candidate. Further, if patients drop out of our clinical trials, miss scheduled doses or follow-up visits, or otherwise fail to follow clinical trial protocols, whether as a result of the COVID-19 pandemic and related illness or actions taken to slow the spread of COVID-19 or otherwise, the integrity of data from our clinical trials may be compromised or not accepted by the FDA or applicable foreign authorities, which would represent a significant setback for the applicable program. In addition, we may rely on CROs and clinical trial sites to ensure proper and timely conduct of our future clinical trials and, while we intend to enter into agreements governing their services, we will be limited in our ability to compel their actual performance. Such delays or failures could adversely affect our business, operating results and prospects.

Serious adverse events, undesirable side effects or other unexpected properties of our product candidates may be identified during development or after approval, which could lead to the discontinuation of our clinical development programs, refusal by regulatory authorities to approve our product candidates or, if discovered following marketing approval, revocation of marketing authorizations or limitations on the use of our product candidates, any of which would limit the commercial potential of such product candidate.

During the conduct of clinical trials, patients report changes in their health, including illnesses, injuries and discomforts, to their doctor. Often, it is not possible to determine whether or not the product candidate being studied caused these conditions. Regulatory authorities may draw different conclusions or require additional testing to confirm these determinations, if they occur. In addition, it is possible that as we test our product candidates in larger, longer and more extensive clinical trials with a broader group of patients, or as use of these product candidates becomes more widespread if they receive marketing approval, illnesses, injuries, discomforts and other AEs that were observed in earlier trials, as well as conditions that did not occur or went undetected in previous trials, will be reported by participants. Many times, side effects are only detectable after investigational product candidates are tested in large-scale, Phase III trials or, in some cases, after they are made available to patients on a commercial scale after approval. If additional clinical experience indicates that any of our current product candidates and any future product candidates has serious or life-threatening side effects or other side effects that outweigh the potential therapeutic benefit, the development of the product

candidate may fail or be delayed, or, if the product candidate has received marketing approval, such approval may be revoked, which would harm our business, prospects, operating results and financial condition. In particular, because we are developing our product candidates for chronic indications, the FDA and applicable foreign authorities will likely require that our product candidates demonstrate a higher level of safety over a longer period of time than would be the case for product candidates intended for short-term use. Moreover, if we elect, or are required, to delay, suspend or terminate any clinical trial of our product candidates, the commercial prospects of our product candidates may be harmed and our ability to generate revenue through their sale may be delayed or eliminated. Any of these occurrences may harm our business, financial condition and prospects significantly.

Moreover, if our product candidates are associated with undesirable side effects in clinical trials or have characteristics that are unexpected, we may elect to abandon their development or limit their development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective, which may limit the commercial value for the product candidate if approved. We may also be required to modify our trial plans based on findings in our ongoing clinical trials. In our completed Phase 1 SAD study of GSB-1290, the following adverse events occurred and were considered probably or possibly related to the study drug: nausea, headache, vomiting, dehydration, decreased appetite, dizziness, and diarrhea. In our completed Phase 1 SAD and MAD study of ANPA-0073, the following adverse events occurred and were considered probably or possibly related to the study drug: blood creatine phosphokinase increase, dizziness, electrocardiogram T wave inversion, diarrhea, headache, lethargy, nausea, vomiting, chills, palpitations, and sinus tachycardia. However, further analysis may reveal AEs inconsistent with the safety results observed. Many compounds that initially showed promise in early-stage testing have later been found to cause side effects that prevented further development of the compound. In addition, regulatory authorities may draw different conclusions or require additional testing to confirm these determinations.

In addition, if any of our product candidates receive marketing approval, the FDA could require us to include a black box warning in our label or adopt Risk Evaluation and Mitigation Strategies, or REMS, to ensure that the benefits outweigh its risks, which may include, among other things, a medication guide outlining the risks of the drug for distribution to patients and a communication plan to health care practitioners. For example, the FDA has required that the product labels of approved drugs targeting GLP-1R include a black box warning related to the risk of thyroid C-cell tumors based on rodent carcinogenicity studies. While we have not yet conducted carcinogenicity studies for GSB-1290, because it also targets GLP-1R, it is possible that absent compelling data to the contrary, the FDA and applicable foreign authorities will similarly require a black box warning for GSB-1290 if it is approved for marketing. Furthermore, if we or others later identify undesirable side effects caused by our product candidates, several other potentially significant negative consequences could result, including:

- regulatory authorities may suspend or withdraw approvals of such product candidate;
- regulatory authorities may require additional warnings on the label, including "boxed" warnings, or issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- we may be required to change the way a product candidate is administered or conduct additional clinical trials;
- we could be sued and held liable for harm caused to patients;
- we could be subject to fines, injunctions, or the imposition of criminal or civil penalties;
- we may need to conduct a recall;
- we may be forced to suspend marketing of that product, or decide to remove the product from the marketplace; and
- the product may become less competitive, and our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of our product candidates and could significantly harm our business, prospects, financial condition and results of operations.

As an organization, we have never conducted later-stage clinical trials or submitted an NDA, and may be unable to do so for any of our product candidates.

We are early in our development efforts for our product candidates, and we will need to successfully complete pivotal clinical trials in order to seek FDA or applicable foreign authority approval to market GSK-1290, ANPA-0073 and any future product candidates we may develop. Carrying out clinical trials and the submission of NDAs is complicated. We completed a Phase 1 SAD study for GSK-1290 in healthy volunteers in September 2022. Additionally, we completed our Phase 1 SAD and MAD study for ANPA-0073 in healthy volunteers for IPF and PAH. We have not conducted any later stage or pivotal clinical trials, have limited experience as a company in preparing, submitting and prosecuting regulatory filings and have not previously submitted an NDA or other applicable foreign regulatory submission for any product candidate. We also plan to conduct a number of clinical trials for multiple product candidates in parallel over the next several years. This may be a difficult process to manage with our limited resources and may divert the attention of management. In addition, we have had no interactions with the FDA or applicable foreign authorities and cannot be certain how many clinical trials of our product candidates will be required or how such trials will have to be designed. Consequently, we may be unable to successfully and efficiently execute and complete necessary clinical trials in a way that leads to regulatory submission and approval of any of our product candidates. We may require more time and incur greater costs than our competitors and may not succeed in obtaining marketing approvals of product candidates that we develop. Failure to commence or complete, or delays in, our planned clinical trials, could prevent us from or delay us in submitting NDAs for and commercializing our product candidates.

The marketing approval processes of the FDA and applicable foreign authorities are lengthy, time consuming, expensive and inherently unpredictable, and if we are ultimately unable to obtain marketing approval for our product candidates, our business will be substantially harmed.

The time required to reach approval by the FDA and applicable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained marketing approval for any product candidate and it is possible that any product candidates we may seek to develop in the future will never obtain marketing approval. Neither we nor any future collaborator is permitted to market any of our product candidates in the United States until we receive FDA marketing approval of an NDA.

Prior to obtaining approval to commercialize a product candidate in the United States or abroad, we or our collaborators must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the FDA or applicable foreign authorities, that such product candidates are safe and effective for their intended uses. The number of nonclinical studies and clinical trials that will be required for FDA approval varies depending on the product candidate, the disease or condition that the product candidate is designed to address, and the regulations applicable to any particular product candidate. Results from nonclinical studies and clinical trials can be interpreted in different ways. Even if we believe the nonclinical or clinical data for our product candidates are promising, such data may not be sufficient to support approval by the FDA and other regulatory authorities. The FDA and applicable foreign authorities may also require us to conduct additional preclinical studies or clinical trials for our product candidates either prior to or post-approval, or could object to elements of our clinical development program.

The FDA or applicable foreign authorities can delay, limit or deny approval of our product candidates or require us to conduct additional nonclinical or clinical testing or abandon a program for various reasons, including the following:

- the FDA or applicable foreign authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or applicable foreign authorities that a product candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or applicable foreign authorities for approval;

- serious and unexpected drug-related side effects experienced by participants in our clinical trials or by individuals using drugs similar to our product candidates;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the FDA or applicable foreign authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not be acceptable or sufficient to support the submission of an NDA or other submission or to obtain marketing approval in the United States or elsewhere, and we may be required to conduct additional clinical trials;
- the FDA's or the applicable foreign authority's requirement for additional nonclinical studies or clinical trials;
- the FDA or the applicable foreign authority may disagree regarding the formulation, labeling and/or the specifications of our product candidates;
- the FDA or applicable foreign authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or applicable foreign authorities may significantly change in a manner rendering our clinical data insufficient for approval.

Of the large number of products in development, only a small percentage successfully complete the FDA or foreign marketing approval processes and are commercialized. The lengthy approval process as well as the unpredictability of future clinical trial results may result in our failing to obtain marketing approval to market our product candidates, which would significantly harm our business, results of operations and prospects.

We may expend our limited resources to pursue a particular product candidate and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we focus on specific product candidates, indications and discovery programs. Correctly prioritizing our research and development activities is particularly important for us due to the breadth of potential product candidates and indications that we believe could be pursued using our platform technologies. As a result, we may forgo or delay pursuit of opportunities with other product candidates that could have had greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through future collaborations, licenses and other similar arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

We may not be able to obtain or maintain orphan drug designations or exclusivity for our product candidates, which could limit the potential profitability of our product candidates.

Regulatory authorities in some jurisdictions, including the United States, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act of 1983, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals in the United States, or a patient population of greater than 200,000 individuals in the United States but for which there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States alone. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and application fee waivers. After the FDA grants orphan drug designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation, however, neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process. Generally, if a drug with an orphan drug designation subsequently receives the first marketing approval for the targeted indication, then the drug is entitled to a seven-year period of marketing exclusivity that precludes the applicable regulatory authority from approving another marketing application for the same chemical entity for the same indication for the

exclusivity period except in limited situations, such as a showing of clinical superiority to the product with orphan drug exclusivity or where the manufacturer is unable to assure sufficient product quantity. For purposes of small molecule drugs, the FDA defines "same drug" as a drug that contains the same active moiety and is intended for the same use as the drug in question. A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan drug designation.

We intend to pursue orphan drug designation for one or more of our product candidates, as well as for potential other future product candidates. Obtaining orphan drug designations is important to our business strategy; however, obtaining an orphan drug designation can be difficult and we may not be successful in doing so. Even if we were to obtain orphan drug designation for a product candidate, we may not obtain orphan exclusivity and that exclusivity may not effectively protect the drug from the competition of different drugs for the same condition, which could be approved during the exclusivity period. Additionally, after an orphan drug is approved, the FDA could subsequently approve another application for the same drug for the same indication if the FDA concludes that the later drug is shown to be safer, more effective or makes a major contribution to patient care. Orphan drug exclusive marketing rights in the United States also may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition. The failure to obtain an orphan drug designation for any product candidates we may develop, the inability to maintain that designation for the duration of the applicable period, or the inability to obtain or maintain orphan drug exclusivity could reduce our ability to make sufficient sales of the applicable product candidate to balance our expenses incurred to develop it, which would have a negative impact on our operational results and financial condition.

We have conducted, or plan to conduct, our initial clinical studies for GSK-1290, ANPA-0073, and our other product candidates outside of the United States. However, the FDA and other foreign equivalents may not accept data from such trials, in which case our development plans will be delayed, which could materially harm our business.

We have conducted our initial clinical studies for GSK-1290 and ANPA-0073 in Australia, and will likely conduct our Phase 1 studies for other drug candidates in Australia. The acceptance of study data from clinical trials conducted outside the United States or another jurisdiction by the FDA or applicable foreign authority may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the sole basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice; (ii) the trials were performed by clinical investigators of recognized competence and pursuant to Good Clinical Practice, or GCP regulations; and (iii) the data may be considered valid without the need for an on-site inspection by the FDA, or if the FDA considers such inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. In addition, even where the foreign study data are not intended to serve as the sole basis for approval, the FDA will not accept the data as support for an application for marketing approval unless the study is well-designed and well-conducted in accordance with GCP requirements and the FDA is able to validate the data from the study through an onsite inspection if deemed necessary. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any applicable foreign authority will accept data from trials conducted outside of the United States or the applicable jurisdiction. If the FDA or any applicable foreign authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in current or future product candidates that we may develop not receiving approval for commercialization in the applicable jurisdiction.

We believe that clinical data generated in Australia will be accepted by the FDA and its foreign equivalents outside of Australia; however, there can be no assurance the FDA or applicable foreign authorities will accept data from any other clinical studies that we may conduct in Australia. If the FDA or applicable foreign authorities do not accept any such data, we would likely be required to conduct additional Phase 1 clinical studies, which would be costly and time consuming, and delay aspects of our development plan, which could harm our business.

Conducting clinical trials outside the United States exposes us to additional risks, including risks associated with:

- additional foreign regulatory requirements;
- foreign exchange fluctuations;
- compliance with foreign manufacturing, customs, shipment and storage requirements;
- cultural differences in medical practice and clinical research; and
- diminished protection of intellectual property in some countries.

Preliminary, topline and interim 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.

From time to time, we may publicly disclose interim, preliminary or topline data from our clinical trials, which are based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline or preliminary results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline and preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the topline or preliminary data we previously made public. As a result, topline and preliminary data should be viewed with caution until the final data are available. From time to time, we may also disclose interim data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse differences between topline, preliminary or interim data and final data could significantly harm our business prospects.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product, product candidate or our business. If the topline or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

Obtaining and maintaining marketing approval of our product candidates in one jurisdiction does not mean that we will be successful in obtaining marketing approval of our product candidates in other jurisdictions.

Obtaining and maintaining marketing approval of our product candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain marketing approval in any other jurisdiction. For example, even if the FDA grants marketing approval of a product candidate, it does not mean that comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion and reimbursement of the product candidate in those countries. However, a failure or delay in obtaining marketing approval in one jurisdiction may negatively impact the marketing approval process in others. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from those in the United States, including additional preclinical studies or clinical trials as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

Obtaining foreign marketing approvals and establishing and maintaining compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we or any future collaborator fail to comply with the regulatory requirements in international markets or fail to receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed, which would adversely affect our business, prospects, financial condition, and results of operations.

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA and applicable foreign authorities to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the FDA have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U.S. government shut down several times and certain regulatory agencies, such as the FDA, furloughed critical employees and ceased critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA and applicable foreign authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Separately, in response to the COVID-19 pandemic, in March 2020, the FDA postponed most inspections of domestic and foreign manufacturing facilities. Subsequently, in July 2020, the FDA resumed certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. The FDA utilized this risk-based assessment system to assist in determining when and where it was safest to conduct prioritized domestic inspections. Additionally, in April 2021, the FDA began conducting voluntary remote interactive evaluations of certain drug manufacturing facilities and clinical research sites, among other facilities, in circumstances where the FDA determines that such remote evaluation would be appropriate, based on mission needs and travel limitations. In July 2021, the FDA resumed standard inspectional operations of domestic facilities. More recently, the FDA has continued to monitor and implement changes to its inspectional activities to ensure the safety of its employees and those of the firms it regulates as it adapts to the evolving COVID-19 pandemic. Regulatory authorities outside the United States have adopted similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or applicable foreign authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or applicable foreign authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Risks Related to Our Reliance on Third Parties

We rely on third parties for the manufacture of our product candidates for preclinical and clinical development and expect to continue to do so for the foreseeable future. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not own or operate manufacturing facilities and have no plans to build our own clinical or commercial scale manufacturing capabilities. We rely, and expect to continue to rely, on third parties for the manufacture of our product candidates and related raw materials for preclinical and clinical development, as well as for commercial manufacture if any of our product candidates receive marketing approval. This reliance increases the risk that we will not have sufficient quantities of our product candidates or products, if approved, or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts. Our active pharmaceutical ingredients and drug product for our product candidates are currently provided by a single-source supplier, WuXi STA, and we expect to rely on this supplier for the

foreseeable future. While we believe that adequate alternative sources for such supplies exist, there is a risk that, if supplies are interrupted, it would materially harm our business.

Furthermore, we do not have complete control over all aspects of the manufacturing process of, and are dependent on, our contract manufacturing partners for compliance with cGMP regulations for manufacturing both active drug substances and finished drug products. Third-party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside of the United States. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA and others, they will not be able to secure and/or maintain marketing approval for their manufacturing facilities. In addition, we do not have control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or an applicable foreign authority does not approve these facilities for the manufacture of our product candidates or if the FDA or applicable foreign authority, withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain marketing approval for or market our product candidates, if approved. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or drugs, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our product candidates or drugs and harm our business and results of operations.

Our current and anticipated future dependence upon others for the manufacture of our product candidates or drugs may adversely affect our future profit margins and our ability to commercialize any product candidates that receive marketing approval on a timely and competitive basis.

In the event that any of our manufacturers fails to comply with applicable requirements or to perform its obligations to us in relation to quality, timing or otherwise, or if our supply of components or other materials becomes limited or interrupted for other reasons, including due to the impact of the COVID-19 pandemic, we may be forced to manufacture the materials ourselves, for which we currently do not have the capabilities or resources, or enter into an agreement with another third-party, which we may not be able to do on commercially reasonable terms, if at all. In particular, any replacement of our manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements. In some cases, the technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such skills or technology to another third-party and a feasible alternative may not exist. In addition, certain of our product candidates and our own proprietary methods have never been produced or implemented outside of our company, and we may therefore experience delays to our development programs if and when we attempt to establish new third-party manufacturing arrangements for these product candidates or methods. These factors would increase our reliance on our third-party manufacturers or require us to obtain a license from such manufacturers in order to have another third-party manufacture our product candidates. If we are required to or voluntarily change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines. We will also need to verify, such as through a manufacturing comparability study, that any product produced by the new manufacturer is equivalent to that produced in a prior facility. The delays associated with the verification of a new manufacturer and equivalent product could negatively affect our ability to develop product candidates in a timely manner or within budget.

Our or a third-party's failure to execute on our manufacturing requirements on commercially reasonable terms and timelines, if at all, and comply with cGMP requirements could adversely affect our business in a number of ways, including:

- inability to meet our drug specifications and quality requirements consistently;
- delay or inability to procure or expand sufficient manufacturing capacity;
- issues related to scale-up of manufacturing;
- costs and validation of new equipment and facilities required for scale-up;
- failure to comply with cGMP or similar foreign standards;

- inability to negotiate manufacturing agreements with third parties under commercially reasonable terms, if at all;
- reliance on single source manufacturers for drug substances and drug products;
- lack of qualified backup suppliers for those components that are currently purchased from a sole or single source supplier;
- misappropriation of proprietary information, including our trade secrets and know-how;
- the mislabeling of clinical supplies, potentially resulting in the wrong dose amounts being supplied or study drug or placebo not being properly identified;
- clinical supplies not being delivered to clinical sites on time, leading to clinical trial interruptions;
- operations of our third-party manufacturers or suppliers could be disrupted by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or supplier; and
- carrier disruptions or increased costs that are beyond our control.

In addition, we do not have any long-term commitments or supply agreements with our third-party manufacturers. We may be unable to establish any supply agreements with our third-party manufacturers or do so on acceptable terms, which increases the risk of timely obtaining sufficient quantities of our product candidates or such quantities at an acceptable cost, which may harm our business and results of operations.

We intend to rely on third parties to conduct, supervise and monitor our discovery research, preclinical studies and clinical trials. If those third parties do not satisfactorily carry out their contractual duties or fail to meet expected deadlines, our development programs may be delayed or subject to increased costs, each of which may have an adverse effect on our business and prospects.

We do not currently have the ability to independently conduct certain discovery research, preclinical studies and clinical trials for our product candidates. We rely on CROs and clinical trial sites to ensure the proper and timely conduct of our preclinical studies and clinical trials, and we expect to have limited influence over their actual performance. We rely upon CROs to monitor and manage data for our clinical programs, as well as the execution of future nonclinical studies. We expect to control only certain aspects of our CROs' activities. Nevertheless, we will be responsible for ensuring that each of our preclinical studies or clinical trials are conducted in accordance with the applicable protocol, legal, regulatory and scientific standards and our reliance on the CROs does not relieve us of our regulatory responsibilities.

We and our CROs will be required to comply with the good laboratory practices, or GLPs, and GCPs, which are regulations and guidelines enforced by the FDA and applicable foreign authorities in the form of International Conference on Harmonization guidelines for any of our product candidates that are in preclinical and clinical development. The regulatory authorities enforce GCPs through periodic inspections of trial sponsors, principal investigators and clinical trial sites. Although we will rely on CROs to conduct GLP-compliant preclinical studies and GCP-compliant clinical trials, we remain responsible for ensuring that each of our GLP preclinical studies and clinical trials is conducted in accordance with its investigational plan and protocol and applicable laws and regulations, and our reliance on the CROs does not relieve us of our regulatory responsibilities. If we or our CROs fail to comply with GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or applicable foreign authorities may require us to perform additional clinical trials before approving our marketing applications. Accordingly, if our CROs fail to comply with these regulations or fail to recruit a sufficient number of participants, we may be required to repeat clinical trials, which would delay the marketing approval process.

While we will have agreements governing their activities, our CROs will not be our employees, and we will not control whether or not they devote sufficient time and resources to our future clinical and nonclinical programs. These CROs may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials, or other drug development activities which could harm our business. We face the risk of potential unauthorized disclosure or misappropriation of our intellectual property by CROs, which may reduce our trade secret protection and allow our potential competitors to access and exploit our proprietary technology. If our CROs do not successfully carry out their contractual duties or obligations, fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for

any other reasons, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain marketing approval for, or successfully commercialize any product candidate that we develop. As a result, our financial results and the commercial prospects for any product candidate that we develop would be harmed, our costs could increase, and our ability to generate revenue could be delayed.

In addition, quarantines, shelter-in-place, and similar government orders, or the perception that such orders, shutdowns or other restrictions on the conduct of business operations could occur, related to COVID-19 or other infectious diseases could impact personnel at our CROs, which could disrupt our clinical timelines, which could have a material adverse impact on our business, prospects, financial condition, and results of operations. If our relationship with these CROs terminates, we may not be able to enter into arrangements with alternative CROs or do so on commercially reasonable terms. Switching or adding additional CROs involves substantial cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can negatively impact our ability to meet our desired clinical development timelines. Though we intend to carefully manage our relationships with our CROs, we may encounter challenges or delays in the future and we cannot assure you that these delays or challenges will not have a negative impact on our business, financial condition and prospects.

In addition, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or applicable foreign authorities. The FDA or applicable foreign authorities may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the trial. The FDA or applicable foreign authorities may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or applicable foreign authorities and may ultimately lead to the denial of marketing approval of our current and future product candidates.

We have entered into, and may in the future enter into, collaboration agreements and strategic alliances to maximize the potential of our structure-based drug discovery platform and product candidates, and we may not realize the anticipated benefits of such collaborations or alliances. We expect to continue to form collaborations in the future with respect to our product candidates, but may be unable to do so or to realize the potential benefits of such transactions, which may cause us to alter or delay our development and commercialization plans.

Part of our business strategy is to explore additional collaborations with third parties to further strengthen our platform capabilities and to leverage our platform for external opportunities where partners bring additional disease biology understanding, development and commercial expertise, regional insights or other complementary capabilities. We may therefore form or seek further 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 structure-based drug discovery platform or our product candidates and any future product candidates that we may develop, including in territories outside the United States or for certain indications. These transactions can entail numerous operational and financial risks, including exposure to unknown liabilities, disruption of our business and diversion of our management's time and attention in order to manage a collaboration or develop acquired products, product candidates or technologies, incurrence of substantial debt or dilutive issuances of equity securities to pay transaction consideration or costs, higher than expected collaboration, acquisition or integration costs, write-downs of assets or goodwill or impairment charges, increased amortization expenses, difficulty and cost in facilitating the collaboration or combining the operations and personnel of any acquired business, impairment of relationships with key suppliers, manufacturers or customers of any acquired business due to changes in management and ownership and the inability to retain key employees of any acquired business. As a result, if we enter into acquisition or license agreements or strategic partnerships, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or other anticipated benefits that led us to enter into the arrangement.

Research and development collaborations are subject to numerous risks, which may include the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to a collaboration, and may not commit sufficient efforts and resources, or may misapply those efforts and resources;

- collaborators may not pursue development and commercialization of our structure-based drug discovery platform or collaboration product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results or changes in their strategic focus;
- collaborators may delay, provide insufficient resources to, or modify or stop clinical trials for our structure-based drug discovery platform or collaboration product candidates;
- collaborators could develop or acquire products outside of the collaboration that compete directly or indirectly with our products or product candidates;
- 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;
- disputes may arise between us and a collaborator that cause the delay or termination of the research, development or commercialization of our product 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 and personnel to pursue further development or commercialization of our structure-based drug discovery platform or the applicable product candidates; and
- collaborators may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we may not have the exclusive right to commercialize such intellectual property.

In addition, we face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. We may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our structure-based drug discovery platform or product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our product candidates as having the requisite potential to demonstrate safety and efficacy. If and when we collaborate with a third-party for development and commercialization of a product candidate, we can expect to relinquish some or all of the control over the future success of that product candidate to the third-party. Our ability to reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of our technologies, product candidates and market opportunities. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. We may also be restricted under any license agreements from entering into agreements on certain terms or at all with potential collaborators.

As a result of these risks, we may not be able to realize the benefit of our existing collaborations or any future collaborations or licensing agreements we may enter into. In addition, there have been a significant number of recent business combinations among large pharmaceutical and biomedical companies that have resulted in a reduced number of potential future collaborators and changes to the strategies of the combined company. As a result, we may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of such product candidate, reduce or delay one or more of our other development programs, delay the potential commercialization or reduce the scope of any planned sales or marketing activities for such product candidate, or increase our expenditures and undertake development, manufacturing or commercialization activities at our own expense. If we elect to increase our expenditures to fund development, manufacturing or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our structure-based drug discovery platform or product candidates or bring them to market and generate revenue.

Additionally, we may sometimes collaborate with academic institutions to accelerate our preclinical research or development under written agreements with these institutions. If collaborations occur, these institutions provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the collaboration. Regardless of such option, we may be unable to negotiate a license within the specified

timeframe or under terms that are acceptable to us. If we are unable to do so, the institution may offer the intellectual property rights to other parties, potentially blocking our ability to pursue our program. If we are unable to successfully obtain rights to required third-party intellectual property or to maintain the existing intellectual property rights we have, we may have to abandon development of such program and our business and financial condition could suffer.

Our products require specific constituents to work effectively and efficiently, and rights to those constituents are, and in the future may be, held by others. We may also seek to in-license third-party technologies to enhance our structure-based drug discovery platform. We may be unable to in-license any rights from constituents, methods of use, processes or other third-party intellectual property rights from third parties that we identify. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, which could harm our business. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology in order to establish or maintain our competitive position in the market. Any delays in entering into new collaborations or strategic partnership agreements related to our product candidates or our structure-based drug discovery platform could delay the development and commercialization of our product candidates in certain geographies or limit our ability to discover and develop new product candidates, which could harm our business prospects, financial condition, and results of operations.

Our existing discovery collaboration with Schrödinger is important to our business. If we are unable to maintain this collaboration, or if this collaboration is not successful, our business could be adversely affected.

In October 2020, Lhotse Bio, Inc., or Lhotse, our wholly-owned subsidiary, entered into a Collaboration Agreement with Schrödinger, or the Lhotse-Schrödinger Agreement. Under the Lhotse-Schrödinger Agreement, Schrödinger uses its technology platform to perform virtual screens of members of the target class of human integrins, and we and Schrödinger collaborate to facilitate prioritization of targets, perform target validation and analysis, identify leads and perform lead optimization. Schrödinger has granted us an exclusive license to certain intellectual property related to our product candidates discovered under this agreement. See the section titled "Business—Lhotse Collaboration Agreement with Schrödinger, LLC."

Because we currently rely on Schrödinger for a substantial portion of our discovery capabilities, if Schrödinger delays or fails to perform its obligations under the Lhotse-Schrödinger Agreement, disagrees with our interpretation of the terms of the collaboration or our discovery plan or terminates the Lhotse-Schrödinger Agreement, our pipeline of product candidates would be adversely affected. Schrödinger may also fail to properly maintain or defend the intellectual property we have licensed from them, or even infringe upon, our intellectual property rights, leading to the potential invalidation of our intellectual property or subjecting us to litigation or arbitration, any of which would be time-consuming and expensive. Additionally, either party has the right to terminate the collaboration pursuant to the terms of the Lhotse-Schrödinger Agreement. If our collaboration with Schrödinger is terminated, especially during our discovery phase, the development of our product candidates would be materially delayed or harmed.

Reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Reliance on third parties to manufacture or commercialize our current or any future product candidates, and on collaborations with additional third parties for the development of our current or any future product candidates, requires us to share trade secrets with these third parties. We may also conduct joint research and development programs that may require us to share trade secrets under the terms of our research and development partnerships or similar agreements. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, services agreements, consulting agreements or other similar agreements with our advisors, employees, third-party contractors and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, including our trade secrets. Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and trade secrets, a

competitor's discovery of our trade secrets or other unauthorized use or disclosure could have an adverse effect on our business and results of operations.

In addition, these agreements typically restrict the ability of our advisors, employees, third-party contractors and consultants to publish data potentially relating to our trade secrets. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of our agreements with third parties, independent development or publication of information by any third-party collaborators. A competitor's discovery of our trade secrets could harm our business.

Confidentiality agreements with employees and third parties may not prevent unauthorized disclosure of trade secrets and other proprietary information.

In addition to the protection afforded by patents, we seek to rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce, and any other elements of our product candidates, technology and product discovery and development processes that involve proprietary know-how, information, or technology that is not covered by patents. Any disclosure, either intentional or unintentional, by our employees, the employees of third parties with whom we share our facilities or third-party consultants and vendors that we engage to perform research, clinical trials or manufacturing activities, or misappropriation by third parties (such as through a cybersecurity breach) of our trade secrets or proprietary information could enable competitors to duplicate or surpass our technological achievements, thus eroding our competitive position in our market. Because we expect to rely on third parties in the development and manufacture of our product candidates, we must, at times, share trade secrets with them. Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Trade secrets and confidential information, however, may be difficult to protect. We seek to protect our trade secrets, know-how and confidential information, including our proprietary processes, in part, by entering into confidentiality agreements with our employees, consultants, outside scientific advisors, contractors, and collaborators. With our consultants, contractors, and outside scientific collaborators, these agreements typically include invention assignment obligations. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, outside scientific advisors, contractors, and collaborators might intentionally or inadvertently disclose our trade secret information, including to competitors. In addition, competitors or other third-parties may otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Despite our efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, 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 is 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. Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, or misappropriation of our intellectual property by third parties, we may not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, operating results, and financial condition.

Risks Related to Commercialization of Our Product Candidates

Even if we receive regulatory approval for any product candidate, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions on marketing or withdrawal from the market, and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our product candidates, when and if any of them are approved.

Even if we obtain any marketing approval for our current or any future product candidates, such approvals will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping and submission of safety and other post-market information. These

requirements include submissions of safety and other post-marketing information and reports, registration, as well as on-going compliance with cGMPs and GCPs, for any clinical trials that we may conduct post-approval. Any marketing approvals that we receive for our current or future product candidates may also be subject to a REMS, 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 testing, including Phase 4 trials, and surveillance to monitor the quality, safety and efficacy of the drug.

In addition, drug manufacturers and their facilities are subject to payment of user fees and continual review and periodic inspections by the FDA and other regulatory authorities for compliance with cGMP requirements and adherence to commitments made in the NDA or foreign marketing application. If we or a regulatory authority discover previously unknown problems with a drug, such as AEs of unanticipated severity or frequency, or problems with the facility where the drug is manufactured or if a regulatory authority disagrees with the promotion, marketing or labeling of that drug, a regulatory authority may impose restrictions relative to that drug, the manufacturing facility or us, including requesting a recall or requiring withdrawal of the drug from the market or suspension of manufacturing.

If we fail to comply with applicable regulatory requirements following approval of our current or future product candidates, a regulatory authority may, among other things:

- issue an untitled letter or warning letter asserting that we are in violation of the law;
- seek an injunction or impose administrative, civil or criminal penalties or monetary fines;
- suspend or withdraw marketing approval;
- suspend any ongoing clinical trials;
- refuse to approve a pending NDA or NDA supplement, or comparable foreign marketing application (or any supplements thereto) submitted by us or our strategic partners;
- restrict or suspend the marketing or manufacturing of the drug;
- seize or detain the drug or otherwise require the withdrawal of the drug from the market;
- refuse to permit the import or export of product candidates; or
- refuse to allow us to enter into supply contracts, including government contracts.

In addition, if any of our product candidates is approved, our product labeling, advertising and promotion will be subject to regulatory requirements and continuing regulatory review. The FDA strictly regulates the promotional claims that may be made about drug products. In particular, a product may not be promoted for uses that are not approved by the FDA as reflected in the product's approved labeling. If we receive marketing approval for a product candidate, physicians may nevertheless prescribe it to their patients in a manner that is inconsistent with the approved label. If we are found to have promoted such off-label uses, we may become subject to significant liability. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant sanctions. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The government has also required companies to enter into consent decrees and/or imposed permanent injunctions under which specified promotional conduct is changed or curtailed.

The FDA's policies, and those of equivalent foreign regulatory agencies, may change and additional government regulations may be enacted that could cause changes to or delays in the drug review process, or suspend or restrict marketing approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may be subject to enforcement action and we may not achieve or sustain profitability, which would harm our business, financial condition, results of operations and prospects.

Even if our current or future product candidates receive marketing approval, they may fail to achieve market acceptance by physicians, patients, third-party payors or others in the medical community necessary for commercial success.

Even if our current or future product candidates receive marketing approval, they may fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. If they do not achieve an adequate level of acceptance, we may not generate significant product revenue and may not become profitable. The degree of market acceptance of our current or future product candidates, if approved for commercial sale, will depend on a number of factors, including but not limited to:

- the clinical indications for which the product candidate is approved;
- the efficacy and potential advantages compared to alternative treatments and therapies;
- the timing of market introduction of the product as well as competitive products;
- effectiveness of sales and marketing efforts;
- the strength of our relationships with patient communities;
- the cost of treatment in relation to alternative treatments and therapies, including any similar generic treatments;
- our ability to offer such product for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments and therapies;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the availability of third-party coverage and adequate reimbursement;
- the willingness of patients to pay out-of-pocket in the absence of coverage and adequate reimbursement by third-party payors and government authorities;
- the strength of marketing and distribution support;
- the prevalence and severity of any side effects; and
- any restrictions on the use of the product together with other medications.

Our efforts to educate physicians, patients, third-party payors and others in the medical community on the benefits of our product candidates may require significant resources and may never be successful. Such efforts may require more resources than are typically required due to the complexity and uniqueness of our product candidates. Because we expect sales of our product candidates, if approved, to generate substantially all of our revenues for the foreseeable future, the failure of our product candidates, if approved, to find market acceptance would harm our business and could require us to seek additional financing.

Coverage and adequate reimbursement may not be available for our current or any future product candidates, which could make it difficult for us to sell profitably, if approved.

Market acceptance and sales of any product candidates that we commercialize, if approved, will depend in part on the extent to which coverage and adequate reimbursement for these drugs and related treatments will be available from third-party payors, including government health administration authorities, managed care organizations and other private health insurers. Third-party payors decide which therapies they will pay for and establish reimbursement levels. Commercial payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies. However, decisions regarding the extent of coverage and amount of reimbursement to be provided for any product candidates that we develop will be made on a payor-by-payor basis. One third-party payor's determination to provide coverage for a drug does not assure that other payors will also provide coverage, and adequate reimbursement, for the drug. Additionally, a third-party payor's decision to provide coverage for a therapy does not imply that an adequate reimbursement rate will be approved. Each third-party payor determines whether or not it will provide coverage for a therapy, what amount it will pay the manufacturer for the therapy, and on what tier of its formulary it will be placed. The position on a third-party payor's list of covered drugs, or formulary, generally determines the co-payment that a patient will need to make to obtain the therapy and can strongly influence the adoption of such therapy by patients and physicians. Patients who are prescribed treatments for their conditions and providers prescribing such services generally rely on third-party payors to reimburse all or part of the associated healthcare costs.

Patients are unlikely to use our drugs unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our drugs.

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. We cannot be sure that coverage and reimbursement will be available for any drug that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Inadequate coverage and reimbursement may impact the demand for, or the price of, any drug for which we obtain marketing approval. If coverage and adequate reimbursement are not available, or are available only to limited levels, we may not be able to successfully commercialize our current and any future product candidates that we develop, which could have an adverse effect on our operating results and our overall financial condition. Further, coverage policies and third-party payor reimbursement rates may change at any time. Therefore, even if favorable coverage and reimbursement status is attained for one or more products for which we receive marketing approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than us.

The biotechnology and biopharmaceutical industries are characterized by rapidly advancing technologies. Our future success will depend in part on our ability to maintain a competitive position with our structure-based drug discovery platform. If we fail to stay at the forefront of technological change in utilizing our platform to create and develop product candidates, we may be unable to compete effectively. Our competitors may render our approach obsolete by advances in existing technological approaches or the development of new or different approaches, potentially eliminating the advantages in our drug discovery process that we believe we derive from our research approach and platform.

In addition, we face competition with respect to our current product candidates and will face competition with respect to any other product candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of product candidates for the treatment of the indications that we are pursuing. Potential competitors also 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.

We are aware of GLP-1R small molecules in development by Pfizer, Eli Lilly, and Qilu Regor Therapeutics Inc. There are currently approved GLP-1R peptides for the treatment of diabetes and obesity marketed by Novo Nordisk, Eli Lilly, AstraZeneca, and Sanofi. We are also aware of other GLP-1R plus dual/tri incretin targeting peptides in development by Eli Lilly, Jiangsu Hansoh Pharmaceutical Group Co., Ltd., Boehringer Ingelheim, Altimmune, Inc., Carmot Therapeutics, Inc., and Sciwind Biosciences Co., Ltd. Additionally, we are aware of APJR targeted product candidates in development for COVID-19 acute respiratory distress syndrome by CohBar, Inc.; IPF, systemic sclerosis interstitial lung disease, and kidney nephrotic syndrome by Apie Therapeutics; and muscle atrophy by BioAge Labs, Inc. Both Amgen and Bristol Myers Squibb, or BMS, have APJR targeted product candidates for heart failure. Furthermore, we are aware of LPA1R targeted product candidates in development for IPF by BMS, Horizon Therapeutics plc, and DJS Antibodies Ltd; myelin restoration and neuroinflammation by Pipeline Therapeutics.

Many of our competitors, either alone or with their collaborators, have significantly greater financial, technical, manufacturing, marketing, sales and supply resources or experience than we do. If we successfully obtain approval for any product candidate, we will face competition based on many different factors, including the safety and effectiveness of our products, the timing and scope of marketing approvals for these products, the availability and cost of manufacturing, marketing and sales capabilities, price, reimbursement coverage and patent position. Competing products could present superior treatment alternatives, including by being more effective, safer, more convenient, less expensive or marketed and sold more effectively than any products we may develop. Competitive products may make any products we develop obsolete or noncompetitive before we recover the expense of developing and commercializing our product candidates. If we are unable to compete effectively, our opportunity to generate revenue from the sale of our products we may develop, if approved, could be adversely affected.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific, management and commercial personnel, establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Any failure to compete effectively could harm our business, financial condition and operating results.

If the market opportunities for any of our product candidates are smaller than we estimate, even assuming approval of a product candidate, our revenue may be adversely affected, and our business may suffer.

The precise incidence and prevalence for all the conditions we aim to address with our product candidates are unknown. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect. Further, new information may change the estimated incidence or prevalence of these diseases. The total addressable market across all of our product candidates will ultimately depend upon, among other things, the diagnosis criteria included in the final label for each of our product candidates approved for sale for these indications, the availability of alternative treatments and the safety, convenience, cost and efficacy of our product candidates relative to such alternative treatments, acceptance by the medical community and patient access, drug pricing and reimbursement. The number of patients in the United States and other major markets and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our products or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

We currently have no marketing and sales organization and have no experience as a company in commercializing products, and we may invest significant resources to develop these capabilities. If we are unable to establish marketing and sales capabilities or enter into agreements with third parties to market and sell our products, we may not be able to generate product revenue.

We have no internal sales, marketing or distribution capabilities, nor have we as a company commercialized a product. If any of our product candidates ultimately receives marketing approval, we will be required to build a marketing and sales organization with technical expertise and supporting distribution capabilities to commercialize each such product in the markets that we target, which will be expensive and time consuming, or collaborate with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems. We have no prior experience as a company in the marketing, sale and distribution of biopharmaceutical products and there are significant risks involved in building and managing a sales organization, including our ability to hire, retain and incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing personnel and effectively manage a geographically dispersed sales and marketing team. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of these products. We may not be able to enter into collaborations or hire consultants or external service providers to assist us in sales, marketing and distribution functions on acceptable financial terms, or at all. In addition, our product revenues and our profitability, if any, may be lower if we rely on third parties for these functions than if we were to market, sell and distribute any products that we develop ourselves. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we are not successful in commercializing our products, either on our own or through arrangements with one or more third parties, we may not be able to generate any future product revenue and we would incur significant additional losses.

Our future growth may depend, in part, on our ability to commercialize products in foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future growth may depend, in part, on our ability to develop and commercialize our product candidates in foreign markets. We are not permitted to market or promote any of our product candidates before we receive regulatory approval from applicable regulatory authorities in foreign markets, and we may never receive such regulatory approvals for any of our product candidates. To obtain separate regulatory approval in many other

countries we must comply with numerous and varying regulatory requirements regarding safety and efficacy and governing, among other things, clinical trials, commercial sales, pricing and distribution of our product candidates. If we obtain regulatory approval of our product candidates and ultimately commercialize our products in foreign markets, we would be subject to additional risks and uncertainties, including:

- different regulatory requirements for approval of drugs in foreign countries;
- reduced protection for intellectual property rights;
- the existence of additional third-party patent rights of potential relevance to our business;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenues, and other obligations incident to doing business in another country;
- foreign reimbursement, pricing and insurance regimes;
- workforce uncertainty in countries where labor unrest is common;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters including earthquakes, typhoons, floods and fires.

Risks Related to Our Business Operations and Industry

Our business and the business or operations of third parties with whom we conduct business could be adversely affected by the effects of health epidemics, including the COVID-19 pandemic, in regions where we or third parties on which we rely have business operations.

The COVID-19 pandemic continues to evolve. As a result of the COVID-19 pandemic or any other pandemic, epidemic or outbreak of an infectious disease, we may experience disruptions that could severely impact our business, preclinical studies and clinical trials, including:

- delays or difficulties in enrolling patients in our clinical trials;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- interruption of key clinical trial activities, such as clinical trial site data monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others or interruption of clinical trial subject visits and study procedures, which may impact the integrity of subject data and clinical trial endpoints;
- interruption or delays in the operations of the FDA or applicable foreign authorities, which may impact review and approval timelines;
- interruption or delays in our operations due to staffing shortages, travel restrictions, quarantines, production slowdowns or stoppages and disruptions in delivery systems;
- the need for additional manufacturing space, facilities upgrades and personnel;
- delays in clinical sites receiving the supplies and materials needed to conduct our clinical trials, including interruption in global shipping that may affect the transport of clinical trial materials;
- inability or unwillingness of some patients to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services;
- interruptions in our preclinical studies and clinical trials due to restricted or limited operations at our laboratory facilities;

- limitations on employee resources that would otherwise be focused on the conduct of our preclinical studies and clinical trials, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people; and
- interruptions or delays to our discovery and clinical activities.

The extent to which the COVID-19 pandemic impacts our business, our clinical development and regulatory efforts will depend on future developments that are highly uncertain and cannot be predicted with confidence, such as the duration of the pandemic, emergence and spread of variants, travel restrictions, quarantines, social distancing requirements and business closures in the United States and internationally, and business disruptions, and the effectiveness of actions taken in the United States and internationally to contain and treat the disease. Accordingly, we do not yet know the full extent of potential delays or impacts on our business, our clinical and regulatory activities, healthcare systems or the global economy as a whole. To date, we have experienced delays in our patient enrollment and our supply chain as a direct result of COVID-19 on our suppliers' ability to timely manufacture and ship certain supplies such as reagents and other lab consumables. However, such delays have previously impacted and could in the future adversely affect our business, financial condition, results of operations and growth prospects.

In addition, to the extent the ongoing COVID-19 pandemic or any future epidemic disease adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks and uncertainties described in this "Risk Factors" section.

Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or any guidance we may provide.

Our quarterly and annual operating results may fluctuate significantly, which makes it difficult for us to predict our future operating results. These fluctuations may occur due to a variety of factors, many of which are outside of our control, including, but not limited to:

- the timing, degree of success and cost of, and level of investment in, research, development, regulatory approval and commercialization activities relating to our product candidates, which may change from time to time;
- coverage and reimbursement policies with respect to our product candidates, if approved, and potential future drugs that compete with our products;
- the cost of manufacturing our product candidates, which may vary depending on the quantity of production and the terms of our agreements with third-party manufacturers;
- expenditures that we may incur to acquire, develop or commercialize additional product candidates and technologies;
- the level of demand for any approved products, which may vary significantly;
- future accounting pronouncements or changes in our accounting policies; and
- the timing and success or failure of preclinical studies or clinical trials for our product candidates or any competing product candidates, or any other change in the competitive landscape of our industry, including consolidation among our competitors or partners.

The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our ADSs could decline substantially. Such a price decline could occur even when we have met any previously publicly stated revenue or earnings guidance we may provide.

We are highly dependent on the services of our senior management team and if we are not able to retain these members of our management team and recruit and retain additional management, clinical and scientific personnel, our business will be harmed.

We are highly dependent on our senior management team. The employment agreements we have with these officers do not prevent such persons from terminating their employment with us at any time. The loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives. In addition, we will need to attract, retain and motivate highly qualified additional management, clinical and scientific personnel. If we are not able to retain our management and to attract, on terms acceptable to us, additional qualified personnel necessary for the continued development of our business, we may not be able to sustain our operations or grow.

We may not be able to attract or retain qualified personnel in the future due to the intense competition for qualified personnel among biotechnology, pharmaceutical and other businesses. Many of the other pharmaceutical companies that we compete against for qualified personnel and consultants have greater financial and other resources, different risk profiles and a longer operating history in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates and consultants than what we have to offer. If we are unable to attract, retain and motivate high-quality personnel and consultants to accomplish our business objectives, the rate and success at which we can discover and develop product candidates and our business will be limited and we may experience constraints on our development objectives.

Our future performance will also depend, in part, on our ability to successfully integrate newly hired executive officers into our management team and our ability to develop an effective working relationship among senior management. Our failure to integrate these individuals and create effective working relationships among them and other members of management could result in inefficiencies in the development and commercialization of our product candidates, harming future marketing approvals, sales of our product candidates and our results of operations. Additionally, we do not currently maintain "key person" life insurance on the lives of our executives or any of our employees.

We will need to expand our organization, and we may experience difficulties in managing this growth, which could disrupt our operations.

As of December 31, 2022, we had 68 full-time employees. As we advance our research and development programs, we may need to further increase the number of our employees and the scope of our operations, particularly in the areas of clinical development, discovery biology, chemistry, manufacturing, general and administrative matters related to being a public company, regulatory affairs and, if any of our product candidates receives marketing approval, sales, marketing and distribution. To manage any future growth, we must:

- identify, recruit, integrate, maintain and motivate additional qualified personnel;
- manage our development efforts effectively, including the initiation and conduct of clinical trials for our product candidates; and
- improve our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to develop, manufacture and commercialize our product candidates, if approved, will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert financial and other resources, and a disproportionate amount of its attention away from day-to-day activities, to managing these growth activities.

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize our product candidates and, accordingly, may not achieve our research, development and commercialization goals.

We conduct certain research and development operations through our Australian wholly-owned subsidiaries. If we lose our ability to operate in Australia, or if any of our subsidiaries are unable to receive the research and development tax credit allowed by Australian regulations, our business and results of operations could suffer.

In 2021, we formed two wholly-owned Australian subsidiaries, Annapurna Bio Pty Limited, or Annapurna AU, and Gasherbrum Bio Pty Limited, or Gasherbrum AU, to conduct various preclinical and clinical activities for our product and development candidates in Australia. Due to the geographical distance and lack of employees currently in Australia, as well as our lack of experience operating in Australia, we may not be able to efficiently or successfully monitor, develop and commercialize our lead products in Australia, including conducting clinical trials. Furthermore, we have no assurance that the results of any clinical trials that we conduct for our product candidates in Australia will be accepted by the FDA or applicable foreign authorities.

In addition, current Australian tax regulations provide for a refundable research and development tax credit equal to 43.5% of qualified expenditures. If we lose our ability to operate Annapurna AU or Gasherbrum AU in Australia, or if we are ineligible or unable to receive the research and development tax credit, or the Australian government significantly reduces or eliminates the tax credit, our business and results of operation may be adversely affected.

Our relationships with customers, physicians, and third-party payors may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws, other healthcare laws and regulations and health data privacy and security laws and regulations, contractual obligations and self-regulatory schemes. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.

Healthcare providers and third-party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with healthcare professionals, principal investigators, consultants, customers and third-party payors may subject us to various federal and state fraud and abuse laws and other healthcare laws, including, without limitation, the federal Anti-Kickback Statute, the federal civil and criminal false claims laws and the law commonly referred to as the Physician Payments Sunshine Act and regulations. These laws will impact, among other things, our clinical research, as well as our proposed sales and marketing programs. In addition, we may be subject to health information privacy and security laws by the federal government, the states and other jurisdictions in which we may conduct our business. The laws that will affect our operations include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from 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, in return for the purchase, recommendation, leasing or furnishing of an item or service reimbursable under a federal healthcare program, such as the Medicare and Medicaid programs. This statute has been interpreted to apply to, among other things, arrangements between pharmaceutical manufacturers on the one hand, and prescribers, purchasers and formulary managers on the other. A person or entity does not need to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation;
- federal civil and criminal false claims laws, including, without limitation, the False Claims Act, and civil monetary penalty laws, such as the Civil Monetary Penalties Law, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid or other government payors that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal statutes that prohibit, among other things, a person from knowingly and willfully executing a scheme or making false or fraudulent statements to defraud any healthcare benefit program, regardless of the payor (e.g., public or private). Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their implementing regulations, which imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization by entities subject to the rule, such as health plans, healthcare clearinghouses and certain healthcare providers, known as covered entities, and their respective business associates, individuals or entities that perform certain services on behalf of a covered entity that involves the use or disclosure of individually identifiable health information and their subcontractors that use, disclose or otherwise process individually identifiable health information;
- The Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, with specific exceptions, to report annually to the Centers for Medicare & Medicaid Services, or CMS, information related to: (i) payments or other "transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and nurse practitioners), and teaching hospitals; and (ii) ownership and investment interests held by physicians and their immediate family members;
- state and foreign law equivalents of each of the above federal laws, state laws that require manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and/or information regarding drug pricing, 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 to adopt compliance programs as prescribed by state laws and regulations, or that otherwise restrict payments that may be made to healthcare providers, state laws and regulations that require drug manufacturers to file reports relating to drug pricing and marketing information, and state and local laws that require the registration of pharmaceutical sales representatives; and
- state and foreign laws that govern the privacy and security of personal information, including health-related information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Because of the breadth of these laws and the limited statutory exceptions and regulatory safe harbors available, it is possible that some of our business activities, including certain scientific advisory board agreements with physicians who are compensated in the form of ordinary shares or share options in addition to cash consideration, could be subject to challenge under one or more of such laws.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. The shifting compliance environment and the need to build and maintain robust and expandable systems to comply with multiple jurisdictions with different compliance and/or reporting requirements increases the possibility that a healthcare company may run afoul of one or more of the requirements.

If our operations are found to be in violation of 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, imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws and the curtailment or restructuring of our operations.

Healthcare legislative reform measures may have a negative impact on our business and results of operations.

In the United States and some foreign jurisdictions, there have been, and continue to be, several legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of product candidates, restrict or regulate post-approval activities, and affect our ability to profitably sell any product candidates for which we obtain marketing approval.

Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, the ACA, was passed, which substantially changed the way healthcare is financed by both the government and private insurers, and significantly impacts the U.S. pharmaceutical industry.

Since its enactment, there have been judicial, Congressional and executive branch challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states on procedural grounds without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order that initiated a special enrollment period for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. In addition, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or IRA, into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA also eliminates the "donut hole" under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost through a newly established manufacturer discount program. It is possible the ACA will be subject to judicial or Congressional challenges in the future. It is unclear how other health reform measures of the Biden administration will impact our business.

Also, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed products, which have resulted in several Congressional inquiries, presidential executive orders, and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. For example, at the federal level, in July 2021, the Biden administration released an executive order with multiple provisions aimed at prescription drugs. In response to Biden's executive order, on September 9, 2021, the U.S. Department of Health and Human Services, or HHS, released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue to advance these principles. In addition, the IRA, among other things, (1) directs the HHS to negotiate the price of certain single-source drugs and biologics covered under Medicare and (2) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. These provisions will take effect progressively starting in fiscal year 2023, although they may be subject to legal challenges. It is currently unclear how the IRA will be implemented but it is likely to have a significant impact on the pharmaceutical industry. Further, the Biden administration released an additional executive order on October 14, 2022, directing HHS to submit a report within 90 days on how the Center for Medicare and Medicaid Innovation can be further leveraged to test new models for lowering drug costs for Medicare and Medicaid beneficiaries. Individual states in the United States have also become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, 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. We expect that additional state and federal healthcare reform measures will be adopted in the future.

We cannot predict what healthcare reform initiatives may be adopted in the future. We expect that these and other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and additional downward pressure on the price that we receive for any approved drug. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our drugs.

If we or our third-party manufacturers use hazardous and biological materials in a manner that causes injury or violates applicable law, we may be liable for damages.

Our research and development activities involve the controlled use of potentially hazardous substances, including chemical and biological materials, by our third-party manufacturers. Our manufacturers are subject to federal, state, and local laws and regulations in the United States and foreign jurisdictions governing the use, manufacture, storage, handling and disposal of medical, radioactive and hazardous materials. Although we believe that our manufacturers' procedures for using, handling, storing and disposing of these materials comply with legally prescribed standards, we cannot completely eliminate the risk of contamination or injury resulting from medical, radioactive or hazardous materials. As a result of any such contamination or injury, we may incur liability or local, city, state or federal authorities may curtail the use of these materials and interrupt our business operations. In the event of an accident, we could be held liable for damages or penalized with fines, and the liability could exceed our resources. We do not have any insurance for liabilities arising from medical radioactive or hazardous materials. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental regulations may impair our research, development, and production efforts, which could harm our business, prospects, financial condition, and results of operations.

Product liability lawsuits against us could cause us to incur substantial liabilities and could limit commercialization of any product candidate that we may develop.

We face an inherent risk of product liability exposure related to the testing of our current and any future product candidates in clinical trials and may face an even greater risk if we commercialize any product candidate that we may develop. If we cannot successfully defend ourselves against claims that any such product candidates caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidate that we may develop;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- substantial monetary awards to trial participants or patients;
- significant time and costs to defend the related litigation;
- a diversion of management's time and our resources;
- withdrawal of clinical trial participants;
- initiation of investigations by regulators;
- the inability to commercialize any product candidate that we may develop;
- injury to our reputation and significant negative media attention; and
- a decline in our share price.

We currently hold approximately \$10.0 million in product liability insurance coverage in the aggregate. We may need to increase our insurance coverage as we expand our clinical trials and if we successfully commercialize any product candidate. Insurance coverage is increasingly expensive. We may not be able to obtain or maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. Although we will 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 that is in excess of the limits of our insurance coverage. Our insurance policies will also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts 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.

Significant disruptions of our information technology systems or data security incidents could result in significant financial, legal, regulatory, business and reputational harm to us.

We are increasingly dependent on information technology systems and infrastructure, including mobile and third-party, cloud-based technologies, to operate our business. In the ordinary course of our business, we may collect, store, process and transmit large amounts of sensitive information, including intellectual property,

proprietary business information, and other confidential information. It is critical that we do so in a secure manner to maintain the confidentiality, integrity and availability of such sensitive information. We have also outsourced elements of our operations (including elements of our information technology infrastructure) to third parties, and as a result, we manage a number of third-party vendors who may or could have access to our computer networks or our sensitive information. In addition, many of those third parties in turn subcontract or outsource some of their responsibilities to third parties. While all information technology operations are inherently vulnerable to inadvertent or intentional security breaches, incidents, attacks and exposures, the accessibility and distributed nature of our information technology systems, and the sensitive information stored on or transmitted between those systems, make such systems potentially vulnerable to unintentional or malicious, internal and external exploits of our technology environment. In addition, due to the COVID-19 pandemic, we have enabled all of our employees to work remotely, which may make us more vulnerable to cyberattacks. Cyber incidents are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by organized groups and individuals with a wide range of motives (including, but not limited to, industrial espionage) and expertise, including organized criminal groups, "hacktivists," nation states and others. In addition to the extraction of sensitive information, such attacks could include the deployment of harmful malware, ransomware, supply chain attacks, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. Data security incidents and other inappropriate access can also be difficult to detect, and any delay in identifying them may lead to increased harm. In addition, the prevalent use of mobile devices increases the risk of data security incidents.

Significant disruptions of, or cyber incidents directed at, our or our third-party vendors' and/or business partners' information technology systems could adversely affect our business operations and/or result in the loss, misappropriation, and/or unauthorized access, use or disclosure of, or the prevention of access to, sensitive information, which could result in a variety of adverse effects, including financial, legal, regulatory, business and reputational harm to us. In addition, information technology system disruptions, whether from attacks on our technology environment or from computer viruses, natural disasters, terrorism, war and telecommunication and electrical failures, 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 marketing approval efforts and significantly increase our costs to recover or reproduce the data. Additionally, theft of our intellectual property or proprietary business information could require substantial expenditures to remedy. If we or our third-party collaborators, consultants, contractors, suppliers, vendors or service providers were to suffer an actual or likely attack or breach, for example, that involves the unauthorized access to or use or disclosure of personal or health information, we may have to notify consumers, partners, collaborators, government authorities, and the media, and may be subject to investigations, civil penalties, administrative and enforcement actions (including mandatory corrective action or requirements to verify the correctness of database contents), and consuming, distracting and expensive litigation, any of which could result in increased costs to us, and result in significant legal and financial exposure, or other harm to our business and reputation.

We and certain of our service providers are from time to time subject to cyberattacks and security incidents. While we have no reason to believe that we have been subject to any significant system failure, accident or security breach to date, attackers have become very sophisticated in the way they conceal access to systems, and many companies that have been attacked are not aware that they have been attacked. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. While we have implemented security measures intended to protect our information technology systems and infrastructure, such measures may not successfully prevent service interruptions or security incidents.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

Our employees, principal investigators, consultants and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.

We are exposed to the risk of fraud or other misconduct by our employees, principal investigators, consultants and commercial partners. Misconduct by these parties could include intentional failures to comply with FDA regulations or the regulations applicable in other jurisdictions, provide accurate information to the FDA and applicable foreign authorities, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Such misconduct also could involve the improper use of information obtained in the course of clinical trials or interactions with the FDA or applicable foreign authorities, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter employee misconduct, 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 government 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 negative impact on our business, financial condition, results of operations and prospects, including the imposition of significant fines or other sanctions.

Governments outside the United States tend to impose strict price controls, which may adversely affect our revenues, if any.

In some countries, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product candidate. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after coverage and reimbursement have been obtained. Reference pricing used by various countries and parallel distribution or arbitrage between low-priced and high-priced countries, can further reduce prices. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies, which is time-consuming and costly. If coverage and reimbursement of our product candidates are unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be harmed, possibly materially.

Failure to comply with health and data protection laws and regulations could lead to government enforcement actions, which could include civil, criminal or administrative penalties, private litigation and/or adverse publicity and could negatively affect our operating results and business, financial condition, results of operations and prospects.

The global data protection landscape is rapidly evolving, and we are or may become subject to or be affected by evolving federal, state and foreign data protection laws and regulations, such as laws and regulations that address privacy and data security. In the United States, numerous federal and state laws and regulations, including federal and state health information privacy laws, state data breach notification laws, and federal and state consumer protection laws, such as Section 5 of the Federal Trade Commission Act, govern the collection, use, disclosure and protection of health information and other personal information and could apply to our operations. These laws and regulations are subject to differing interpretations and may be inconsistent among jurisdictions, and guidance on implementation and compliance practices are often updated or otherwise revised, which adds to the complexity of processing personal information. In the United States, HIPAA, as amended by HITECH, imposes, among other things, certain standards relating to the privacy, security, transmission and breach reporting of individually identifiable health information. We do not believe that we are currently acting as a covered entity or business associate under HIPAA and thus are not directly subject to its requirements or penalties. However, we may obtain health information from third parties, including research institutions from which we obtain clinical trial data, that are subject to privacy and security requirements under HIPAA. Depending on the facts and circumstances, we could face substantial criminal

penalties if we knowingly receive individually identifiable health information from a HIPAA-covered healthcare provider or research institution that has not satisfied HIPAA's requirements for disclosure of individually identifiable health information.

Certain states have also adopted comparable privacy and security laws and regulations governing the privacy, processing and protection of personal information. For example, the California Consumer Privacy Act, or CCPA, took effect on January 1, 2020. The CCPA creates individual privacy rights for California consumers and places increased privacy and security obligations on organizations that handle certain personal information of consumers or households. The CCPA requires covered companies to provide disclosures to consumers about such companies' data collection, use and sharing practices, provide such consumers with data privacy rights such as rights to access and delete their personal information, receive detailed information about how their personal information is used, and opt-out of certain sharing of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that is expected to increase data breach litigation. The Attorney General and local government attorneys may also bring enforcement actions for alleged violations of the CCPA. Although there are some exemptions for clinical trial data and health information, the CCPA may impact our business activities and increase our compliance costs and potential liability. Further, the California Privacy Rights Act, or CPRA, recently passed in California. The CPRA significantly amends the CCPA and will impose additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It will also create a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. The majority of the provisions will go into effect on January 1, 2023, and additional compliance investment and potential business process changes may be required. Further, Virginia enacted the Virginia Consumer Data Protection Act, or VCDPA, effective January 1, 2023. Colorado passed the Colorado Privacy Rights Act, or CPA, effective July 1, 2023, Connecticut passed the Connecticut Data Privacy Act, or CDPA, effective July 1, 2023, and Utah passed the Utah Consumer Privacy Act, or UCPA, effective December 31, 2023. A number of other proposals exist for new federal and state privacy legislation that could increase our potential liability, increase our compliance costs, and affect our ability to collect personal information. The VCDPA, CPA, CDPA and UCPA are similar to the CCPA and CPRA but aspects of these state privacy statutes remain unclear, resulting in further legal uncertainty and potentially requiring us to modify our data practices and policies and to incur substantial additional costs and expenses in an effort to comply. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by these laws or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

Foreign data protection laws, including the European Union, or EU, Regulation 2016/679, known as the General Data Protection Regulation, or GDPR, may also apply to health-related and other personal data obtained outside of the United States. The GDPR which is wide-ranging in scope, imposes several requirements relating to control over personal data by individuals to whom personal data relates, the information that an organization must provide to individuals, the documentation an organization must maintain, the security and confidentiality of personal data, data breach notification, and the use of third-party processors in connection with the processing of personal data. Companies that violate the GDPR can face private litigation, restrictions on data processing, as well as fines up to the greater of €20 million or 4% of annual global revenue for significant violations. The GDPR also imposes strict rules on the transfer of personal data out of the European Economic Area, or EEA to the United States, which the GDPR deems as a country that has not been found to provide adequate protection for transfers of personal data. In July 2020, the Court of Justice of the EU, or CJEU, limited how organizations could lawfully transfer personal data from the EU/EEA to the United States by invalidating the Privacy Shield for purposes of international transfers and imposing further restrictions on the use of standard contractual clauses, or SCCs. In March 2022, the US and EU announced a new regulatory regime intended to replace the invalidated regulations; however, this new EU-US Data Privacy Framework has not been implemented beyond an executive order signed by President Biden on October 7, 2022 on Enhancing Safeguards for United States Signals Intelligence Activities. The revised SCCs must be used for relevant new data transfers from September 27, 2021; existing standard contractual clauses arrangements must be migrated to the revised clauses by December 27, 2022. The new SCCs apply only to the transfer of personal data outside of the EEA and not the UK; the UK's Information Commissioner's Office launched a public consultation on its draft revised data transfers mechanisms in August 2021. There is some uncertainty

around whether the revised clauses can be used for all types of data transfers, particularly whether they can be relied on for data transfers to non-EEA entities subject to the GDPR. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the SCCs cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

Further, from January 1, 2021, companies have had to comply with the GDPR and also the United Kingdom GDPR, or UK GDPR, which, together with the amended UK Data Protection Act 2018, retains the GDPR in UK national law. The UK GDPR mirrors the fines under the GDPR, i.e., fines up to the greater of €20 million (£17.5 million) or 4% of global turnover. The relationship between the United Kingdom and the EU in relation to certain aspects of data protection law remains unclear, and it is unclear how United Kingdom data protection laws and regulations will develop in the medium to longer term.

Although the European Commission announced a decision of “adequacy” concluding that the UK ensures an equivalent level of data protection to the GDPR, which provides some relief regarding the legality of continued personal data flows from the EEA to the UK, some uncertainty remains, as this adequacy determination must be renewed after four years and may be modified or revoked in the interim. However, the UK adequacy decision will automatically expire in June 2025 unless the European Commission re-assesses and renews or extends that decision. In September 2021, the UK government launched a consultation on its proposals for wide-ranging reform of UK data protection laws following Brexit and the response to this consultation was published in June 2022. There is a risk that any material changes which are made to the UK data protection regime could result in the European Commission reviewing the UK adequacy decision, and the UK losing its adequacy decision if the European Commission deems the UK to no longer provide adequate protection for personal data. The GDPR, the applicable laws of EU Member States, and the applicable privacy laws of the United Kingdom may impact our business activities and increase our compliance costs and potential liability.

The EU has also proposed a Regulation on Privacy and Electronic Communications, or ePrivacy Regulation, which, if adopted, would impose new obligations on the use of personal data in the context of electronic communications, particularly with respect to online tracking technologies and direct marketing. Additionally, the EU adopted the EU Clinical Trials Regulation, which came into effect on January 31, 2022. This regulation imposes new obligations on the use of data generated from clinical trials and enables European patients to have the opportunity to access information about clinical trials.

The Cayman Islands Data Protection Act imposes obligations on data controllers in relation to the processing of personal data, and also introduced rights for data subjects (which may be subject to various exemptions), including, among others: (a) personal data must be processed fairly and on the basis of one of the grounds for processing as set out in the Data Protection Act; (b) personal data must be obtained for a specified lawful purpose; (c) personal data must be adequate, relevant and not excessive in relation to the purpose for which it was processed; (d) personal data must be accurate and, where necessary, kept up to date; (e) personal data must not be kept for longer than is necessary; (f) personal data must be processed in accordance with the rights of the data subject; (g) appropriate technical and organizational security measures must be taken to prevent unauthorized or unlawful processing, accidental loss or destruction of personal data; and (h) the personal data may not be transferred to a country unless that country ensures an adequate level of protection for the rights and freedoms of data subjects.

In recent years, authorities of the PRC have promulgated certain laws and regulations in respect of information security, data collection and privacy protection regulations in the PRC, including the Cybersecurity Law of the PRC, the Provisions on Protection of Personal Information of Telecommunication and Internet Users, the Data Security Law of the PRC which became effective from September 1, 2021, and the Personal Information Protection Law of the PRC which became effective from November 1, 2021. Under the Personal Information Protection Law of the PRC, in case of any personal information processing, such individual prior consent shall be obtained, unless other circumstances clearly mentioned therein to the contrary. Further, any data processing activities in relation to the sensitive personal information such as biometrics, medical health and personal information of teenagers under fourteen years old are not allowed unless such activities have a specific purpose, are highly necessary and have taken strictly protective measures.

Compliance with U.S. and foreign data protection laws and regulations could require us to take on more onerous obligations in our contracts, increase our costs of legal compliance, restrict our ability to collect, use and disclose data, or in some cases, impact our or our partners' suppliers' ability to operate in certain jurisdictions. Our or our service providers' and vendors' actual or perceived failure to comply with U.S. and foreign data protection laws and regulations could result in government investigations and/or enforcement actions (which could include civil, criminal, and administrative penalties), private litigation and/or adverse publicity and could negatively affect our operating results and business. Moreover, clinical trial subjects about whom we or our potential collaborators obtain information, as well as the providers who share this information with us, may contractually limit our ability to use and disclose the information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time consuming to defend and could result in adverse publicity that could harm our business.

We publish privacy policies, self-certifications, and other documentation regarding our collection, use and disclosure of personal information and/or other confidential information. Although we endeavor to comply with our published policies, certifications, and documentation, we may at times fail to do so or may be perceived to have failed to do so. Moreover, despite our efforts, we may not be successful in achieving compliance if our employees or vendors fail to comply with our published policies, certifications, and documentation. Such failures can subject us to potential international, local, state and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices.

There is tax risk associated with the reporting of cross-border arrangements and activities between us and our subsidiaries.

We are incorporated under the laws of the Cayman Islands and currently have subsidiaries in Mainland China, Hong Kong, Australia, the Cayman Islands and the United States. If we succeed in growing our business, we expect to conduct increased operations through our subsidiaries in various tax jurisdictions pursuant to transfer pricing arrangements between us and our subsidiaries. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length and that appropriate documentation is maintained to support the transfer prices. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities.

If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arms' length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, resulting in double taxation. If tax authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, it would increase our consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows.

A tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions. A tax authority may take the position that material income tax liabilities, interest and penalties are payable by us, in which case, we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax rate, where applicable.

Tax authorities may disagree with our positions and conclusions regarding certain tax positions, resulting in unanticipated costs, taxes or non-realization of expected benefits.

A tax authority may disagree with tax positions that we have taken, which could result in increased tax liabilities. For example, the U.S. Internal Revenue Service or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between our affiliated companies pursuant to our intercompany arrangements and transfer pricing policies, including amounts paid with respect to our

intellectual property development. Similarly, a tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a “permanent establishment” under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions. A tax authority may take the position that material income tax liabilities, interest and penalties are payable by us, in which case, we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly, and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax rate, where applicable.

Risks Related to Doing Business in China and Our International Operations

Changes in the political and economic policies of the Chinese government or in relations between China and the United States may affect our business, financial condition, results of operations and the market price of our ADSs.

Due to our operations in China, our business, results of operations, financial condition and prospects may be influenced to a certain degree by economic, political, legal and social conditions in China or changes in government relations between China and the United States or other governments. There is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. China’s economy differs from the economies of developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While China’s economy has experienced significant growth over the past four decades, growth has been uneven across different regions and among various economic sectors. The Chinese government has implemented various measures to encourage economic development and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be affected by government control over capital investments or changes in tax regulations that are currently applicable to us. In addition, in the past, the Chinese government implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause a decrease in economic activity in China, which may affect our business and results of operations. In July 2021, the Chinese government provided new guidance on China-based companies raising capital outside of China, including through arrangements called variable interest entities, or VIEs. In light of such developments, the SEC has imposed enhanced disclosure requirements on China-based companies seeking to register securities with the SEC. Although we do not have a VIE structure, due to our operations in China, any future Chinese, U.S. or other rules and regulations that place restrictions on capital raising or other activities by companies with operations in China could affect our business and results of operations. If the business environment in China deteriorates from the perspective of domestic or international investment, or if relations between China and the United States or other governments deteriorate, the Chinese government may intervene with our operations and our business in China and United States, as well as the market price of our ADSs, may also be affected.

The Chinese government may intervene in or influence our operations at any time, which could result in a change in our operations and impact the value of our ADSs.

The Chinese government has some oversight and discretion over the conduct of our business and may intervene or influence our operations as the government deems appropriate to further regulatory, political and societal goals. The Chinese government has recently published new policies that significantly affected certain industries such as the education and internet industries, and we cannot rule out the possibility that it will in the future release regulations or policies regarding our industry that could require us to seek permission from Chinese authorities to continue to operate our business that could potentially affect our business, financial condition and results of operations. Furthermore, recent statements made by the Chinese government, including the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law published on July 6, 2021, and new rules published for comments by the Chinese government, including the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) published on December 24, 2021, have indicated an intent to increase the government’s oversight and control over offerings of companies with certain amount of operations in China that are to be conducted in foreign markets, as well as foreign investment in certain qualified issuers. If we were to become subject to the direct intervention or influence of the Chinese government at any time due to changes in laws or other unforeseeable reasons, it may require a material change in our operations and/or the value of our ADSs.

Changes in U.S. and Chinese regulations may impact our business, our operating results, our ability to raise capital and the market price of our ADSs.

The U.S. government, including the SEC, has made statements and taken certain actions that led to changes to United States and international relations, and will impact companies with connections to the United States or China, including imposing several rounds of tariffs affecting certain products manufactured in China, imposing certain sanctions and restrictions in relation to China and issuing statements indicating enhanced review of companies with certain operations based in China. It is unknown whether and to what extent new legislation, executive orders, tariffs, laws or regulations will be adopted, or the effect that any such actions would have on companies with significant connections to the United States or to China, our industry or on us. We conduct research activities and have business operations both in the United States and China. Any unfavorable government policies on cross-border relations and/or international trade, including increased scrutiny on companies with certain operations based in China, capital controls or tariffs, may affect the competitive position of our drug products, the hiring of scientists and other research and development personnel, the demand for our drug products, the import or export of raw materials in relation to drug development, our ability to raise capital, the market price of our ADSs or prevent us from selling our drug products in certain countries. Furthermore, the SEC has issued statements primarily focused on companies with certain operations based in China, such as us. For example, on July 30, 2021, Gary Gensler, Chairman of the SEC, issued a Statement on Investor Protection Related to Recent Developments in China, pursuant to which Chairman Gensler stated that he has asked the SEC staff to engage in targeted additional reviews of filings for companies with certain operations based in China. The statement also addressed risks inherent in companies with VIE structures. We do not have a VIE structure and are not in an industry that is subject to foreign ownership limitations by China. However, it is possible that the Company's periodic reports and other filings with the SEC may be subject to enhanced review by the SEC and this additional scrutiny could affect our ability to effectively raise capital in the United States.

In response to the SEC's July 30, 2021 statement, the CSRC announced on August 1, 2021, that "[i]t is our belief that Chinese and U.S. regulators shall continue to enhance communication with the principle of mutual respect and cooperation, and properly address the issues related to the supervision of China-based companies listed in the U.S. so as to form stable policy expectations and create benign rules framework for the market." While the CSRC will continue to collaborate "closely with different stakeholders including investors, companies, and relevant authorities to further promote transparency and certainty of policies and implementing measures," it emphasized that it "has always been open to companies' choices to list their securities on international or domestic markets in compliance with relevant laws and regulations."

If any new legislation, executive orders, tariffs, laws and/or regulations are implemented, if existing trade agreements are renegotiated, if the U.S. or Chinese governments take retaliatory actions due to the recent U.S.-China tension or if the Chinese government exerts more oversight and control over securities offerings that are conducted in the United States, such changes could have an adverse effect on our business, financial condition and results of operations, our ability to raise capital and the market price of our ADSs.

Compliance with China's new Data Security Law, Cyber Security Law, Cybersecurity Review Measures, Personal Information Protection Law, regulations and guidelines relating to the multi-level protection scheme on cyber security and any other future laws and regulations may entail significant expenses and could affect our business.

China has implemented or will implement rules and is considering a number of additional proposals relating to data protection. China's new Data Security Law took effect in September 2021. The Data Security Law provides that the data processing activities must be conducted based on "data classification and hierarchical protection system" for the purpose of data protection and prohibits entities in China from transferring data stored in China to foreign law enforcement agencies or judicial authorities without prior approval by the Chinese government.

Additionally, China's Cyber Security Law, promulgated by the Standing Committee of the National People's Congress of the PRC, or SCNPC, in November 2016 and came into effect in June 2017, and the Administrative Measures for the Hierarchical Protection of Information Security promulgated by the Ministry of Public Security, National Administration of State Secrets Protection, State Cryptography Administration and other government authority in June 2007, requires companies to take certain organizational, technical and administrative measures and other necessary measures to ensure the security of their networks and data

stored on their networks. Specifically, the Cyber Security Law provides that China adopt a multi-level protection scheme, or MLPS, under which network operators are required to perform obligations of security protection to ensure that the network is free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered. Under the MLPS, entities operating information systems must have a thorough assessment of the risks and the conditions of their information and network systems to determine the level of the entity's information and network systems. These levels range from the lowest Level 1 to the highest Level 5 pursuant to a series of national standards on the grading and implementation of the classified protection of cyber security. The grading result will determine the set of security protection obligations that entities must comply with. Entities classified as Level 2 or above should report the grade to the relevant government authority for examination and approval.

Recently, the CAC has taken action against several Chinese internet companies in connection with their initial public offerings on U.S. securities exchanges, for alleged national security risks and improper collection and use of the personal information of Chinese data subjects. According to the official announcement, the action was initiated based on the National Security Law, the Cyber Security Law and the Cybersecurity Review Measures, which are aimed at "preventing national data security risks, maintaining national security and safeguarding public interests."

On July 10, 2021, the CAC published a draft revision to the existing Cybersecurity Review Measures for public comment, or the Revised Draft CAC Measures. On January 4, 2022, together with 12 other Chinese regulatory authorities, the CAC released the final version of the Revised Draft CAC Measures, or the Revised CAC Measures, which came into effect on February 15, 2022. Pursuant to the Revised CAC Measures, critical information infrastructure operators procuring network products and services, and online platform operators (as opposed to "data processors" in the Revised Draft CAC Measures) carrying out data processing activities which affect or may affect national security, shall conduct a cybersecurity review pursuant to the provisions therein. In addition, online platform operators possessing personal information of more than one million users seeking to be listed on foreign stock markets must apply for a cybersecurity review. On November 14, 2021, the CAC further published the Regulations on Network Data Security Management (Draft for Comment), or the Draft Management Regulations, under which data processors refer to individuals and organizations who determine the data processing activities in terms of the purpose and methods at their discretion. The Draft Management Regulations reiterate that data processors shall be subject to cybersecurity review if (i) they process personal information of more than one million persons and they are aiming to list on foreign stock markets, or (ii) their data processing activities affect or may affect Chinese national security. The Draft Management Regulations also request data processors seeking to list on foreign stock markets to annually assess their data security by themselves or through data security service organizations, and submit the assessment reports to relevant competent authorities. As the Draft Management Regulations are released only for public comment, the final version and the effective date thereof is subject to change.

As of the date of this prospectus, we have not received any notice from any Chinese regulatory authority identifying us as a "critical information infrastructure operator," "online platform operator" or "data processor," or requiring us to go through the cybersecurity review procedures pursuant to the Revised CAC Measures and the Draft Management Regulations. Based on our understanding of the Revised CAC Measures, and the Draft Management Regulations if enacted as currently proposed, we do not expect to become subject to cybersecurity review by the CAC for issuing securities to foreign investors because: (i) the clinical and preclinical data we handle in our business operations, either by its nature or in scale, do not normally trigger significant concerns over PRC national security; and (ii) we have not processed, and do not anticipate to process in the foreseeable future, personal information for more than one million users or persons. However, there remains uncertainty as to how the Revised CAC Measures, and the Draft Management Regulations if enacted as currently proposed, will be interpreted or implemented; for example, neither the Revised CAC Measures nor the Draft Management Regulations provides further clarification or interpretation on the criteria for determining those activities that "affect or may affect national security" and relevant Chinese regulatory authorities may interpret it broadly. Furthermore, there remains uncertainty as to whether the Chinese regulatory authorities may adopt new laws, regulations, rules, or detailed implementation and interpretation in relation, or in addition, to the Revised CAC Measures and the Draft Management Regulations. While we intend to closely monitor the evolving laws and regulations in this area and take all reasonable measures to mitigate compliance risks, we cannot guarantee that our business and operations will not be adversely affected by the potential impact of the

Revised CAC Measures, the Draft Management Regulations or other laws and regulations related to privacy, data protection and information security.

Also, the National People's Congress released the Personal Information Protection Law, which became effective on November 1, 2021. The Personal Information Protection Law provides a comprehensive set of data privacy and protection requirements that apply to the processing of personal information and expands data protection compliance obligations to cover the processing of personal information of persons by organizations and individuals in China, and the processing of personal information of persons in China outside of China if such processing is for purposes of providing products and services to, or analyzing and evaluating the behavior of, persons in China. The Personal Information Protection Law also provides that critical information infrastructure operators and personal information processing entities who process personal information meeting a volume threshold to be set by Chinese cyberspace regulators are also required to store in China personal information generated or collected in China, and to pass a security assessment administered by Chinese cyberspace regulators for any export of such personal information. Lastly, the Personal Information Protection Law contains proposals for significant fines for serious violations of up to RMB 50 million or 5% of annual revenues from the prior year and may also be ordered to suspend any related activity by competent authorities. We do not maintain, nor do we intend to maintain in the future, personally identifiable health information of patients in China.

In addition, certain industry-specific laws and regulations affect the collection and transfer of data in the PRC. The Regulations on the Administration of Human Genetic Resources of the PRC, or the HGR Regulation, was promulgated by the State Council in May 2019 and came into effect in July 2019. It stipulates that foreign organizations, individuals, and the entities established or actually controlled by foreign organizations or individuals are forbidden to collect, preserve and export China's human genetic resources. Foreign organizations and the entities established or actually controlled by foreign organizations or individuals may only utilize and be provided with China's human genetic resources after satisfaction of all requirements under the HGR Regulation and other applicable laws, such as (i) China's human genetic resources being utilized only in international cooperation with Chinese scientific research institutions, universities, medical institutions, and enterprises for scientific research and clinical trials after completion of requisite approval or filing formalities with competent governmental authorities, and (ii) China's human genetic resources information being provided after required filing and information backup procedures have been gone through. In October 2020, the SCNPC promulgated the Biosecurity Law of the PRC, which reaffirms the regulatory requirements stipulated by the HGR Regulation while potentially increasing the administrative sanctions where China's human genetic resources are collected, preserved, exported or used in international cooperation in violation of applicable laws. There remain significant uncertainties as to how various provisions of the HGR Regulation and the related laws and regulations may be interpreted and implemented. Given such uncertainty, although we have made great efforts to comply with mandatory requirements of laws and government authorities in this regard, we cannot assure you that we will be deemed at all times in full compliance with the HGR Regulation, the Biosecurity Law of the PRC and other applicable laws in our utilizing of and dealing with China's human genetic resources. As a result, we may be exposed to compliance risks under the HGR Regulation and the Biosecurity Law of the PRC.

Interpretation, application and enforcement of these laws, rules and regulations evolve from time to time and their scope may continually change, through new legislation, amendments to existing legislation or changes in enforcement. Compliance with China's new Cyber Security Law and Data Security Law could significantly increase the cost to us of providing our service offerings, require significant changes to our operations or even prevent us from providing certain service offerings in jurisdictions in which we currently operate or in which we may operate in the future. Despite our efforts to comply with applicable laws, regulations and other obligations relating to privacy, data protection and information security, it is possible that our practices, offerings or platform could fail to meet all of the requirements imposed on us by the Cyber Security Law, the Data Security Law and/or related implementing regulations. Any failure on our part to comply with such law or regulations or any other obligations relating to privacy, data protection or information security, or any compromise of security that results in unauthorized access, use or release of personally identifiable information or other data, or the perception or allegation that any of the foregoing types of failure or compromise has occurred, could damage our reputation, discourage new and existing counterparties from contracting with us or result in investigations, fines, suspension or other penalties by Chinese government authorities and private claims or litigation, any of which could adversely affect our business, financial condition and results of operations. Even if our practices

are not subject to legal challenge, the perception of privacy concerns, whether or not valid, may harm our reputation and brand and adversely affect our business, financial condition and results of operations. Moreover, the legal uncertainty created by the Data Security Law, the Revised CAC Measures and the recent Chinese government actions could adversely affect our ability, on favorable terms, to raise capital, including engaging in follow-on offerings of our securities in the U.S. market once we are a public company.

The approval of, filing or other procedures with the CSRC or other Chinese regulatory authorities may be required in connection with this offering under Chinese law, and, if required, we cannot predict whether we will be able, or how long it will take us, to obtain such approval or complete such filing or other procedures.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, purport to require offshore special purpose vehicles that are controlled by Chinese companies or individuals and that have been formed for the purpose of seeking a public listing on an overseas stock exchange through acquisitions of Chinese domestic companies or assets in exchange for the shares of the offshore special purpose vehicles shall obtain CSRC approval prior to publicly listing their securities on an overseas stock exchange.

Based on our understanding of the Chinese laws and regulations in effect at the time of this prospectus, we are not currently required to submit an application to the CSRC for its approval of this offering and the listing and trading of our ADSs on the Nasdaq under the M&A Rules. However, there remains some uncertainty as to how the M&A Rules will be interpreted or implemented, 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 Chinese government authorities, including the CSRC, would reach the same conclusion.

On July 6, 2021, the relevant Chinese government authorities published the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. These opinions call for strengthened regulation over illegal securities activities and increased supervision of overseas listings by China-based companies, and propose to take effective measures, such as promoting the construction of relevant regulatory systems to regulate the risks and incidents faced by China-based overseas-listed companies.

Furthermore, on December 24, 2021, the CSRC promulgated the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments), or collectively, the Drafts for Comments, which, among others, require certain companies to fulfill a filing procedure with the CSRC in respect of its offering and listing in the stock markets outside of the PRC if such companies meet the criteria set forth in the Drafts for Comments. As the Drafts for Comments were released only for public comment, the final version and the effective date thereof may be subject to change with substantial uncertainty. For more details, see the section titled "Business—Regulation—Other Significant Chinese Regulation Affecting Our Business Activities in China."

As of the date of this prospectus, (i) we have not received any inquiry, notice, warning, sanction or any regulatory objections to this offering from the CSRC, the CAC or any other Chinese regulatory authorities that have jurisdiction over our operations; and (ii) based on our understanding of the currently effective PRC laws and regulations, we are not required to obtain approval or permission from the CSRC, the CAC or other Chinese regulatory authorities to conduct this offering. However, we cannot assure you that the relevant Chinese regulatory authorities, including the CSRC and the CAC, would reach the same conclusion as us. If such an approval, filing or other procedure is required, it is uncertain whether we will be able and how long it will take for us to obtain the approval or complete the filing or other procedures, despite our best efforts. If our Chinese subsidiaries do not receive or maintain permissions or approvals or inadvertently conclude that permissions or approvals needed for their business are not required, or if there are changes in applicable laws (including regulations) or interpretations of laws, and our Chinese subsidiaries are required but unable to obtain any permissions or approvals in the future, then such changes or need for approvals (if not obtained) could adversely affect the operations of our Chinese subsidiaries, including limiting or prohibiting the ability of our Chinese subsidiaries to operate, and potentially cause the value of our ADSs or ordinary shares to decline. If we, for any reason, are unable to obtain or complete, or experience significant delays in obtaining or completing, the requisite relevant approval(s), filing(s) or other procedure(s), the regulatory authorities may impose fines and penalties on our operations in China, limit our operating privileges in China, revoke our business licenses, delay or restrict the

repatriation of the proceeds from this offering into China or take other actions that could have an adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of the ADSs.

If the CSRC or other Chinese regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or complete filing or other procedures for this offering, we may be unable to obtain a waiver of such requirements, if and when procedures are established to obtain such a waiver. Even after the completion of this offering, our listing status and the trading of our ADSs and ordinary shares may be affected if the CSRC or other Chinese regulatory authorities determine that we were or are non-compliant with any PRC laws or regulations. Any uncertainties and/or negative publicity regarding such approval requirement could have an adverse effect on the trading price of the ADSs.

Pharmaceutical companies operating in China are required to comply with extensive regulations and hold a number of permits and licenses to carry on their business. Our ability to obtain and maintain these regulatory approvals is uncertain, and future government regulation may place additional burdens on our current and planned operations in China.

The pharmaceutical industry in China is subject to extensive government regulation and supervision. The regulatory framework addresses all aspects of operating in the pharmaceutical industry, including product development activities, clinical trials, registration, production, distribution, packaging, labeling, storage and shipment, advertising, licensing and post-approval pharmacovigilance certification requirements and procedures, periodic renewal and reassessment processes, data security and data privacy protection requirements and compliance and environmental protection. In particular, we are subject to many of these laws and regulations because our wholly-owned subsidiary, Basecamp Bio, through which we conduct our technology development and early discovery activities, operates primarily in China. Violation of applicable laws and regulations may materially and adversely affect our business. The regulatory framework governing the pharmaceutical industry in China is subject to change and amendment from time to time. Any such change or amendment could materially and adversely impact our business, financial condition and prospects. The Chinese government has introduced various reforms to the Chinese healthcare system in recent years and may continue to do so, with an overall objective to expand basic medical insurance coverage and improve the quality and reliability of healthcare services. The specific regulatory changes under the various reform initiatives remain uncertain. The implementing measures to be issued may not be sufficiently effective to achieve the stated goals, and as a result, we may not be able to benefit from such reform to the extent we expect, if at all. Moreover, the various reform initiatives could give rise to regulatory developments, such as more burdensome administrative procedures, which may have an adverse effect on our business and prospects.

As a company with operations and business relationships outside of the United States, our business is subject to economic, political, regulatory and other risks associated with international operations.

As a company with operations in China, our business is subject to risks associated with conducting business outside the United States. In addition to our technology development and early discovery activities through Basecamp Bio in China, substantially all of our suppliers and clinical trial relationships are located outside the United States. Accordingly, our future results could be harmed by a variety of factors, including:

- economic weakness, including inflation, or political instability in particular non-U.S. economies and markets;
- differing and changing regulatory requirements for product approvals;
- differing jurisdictions could present different issues for securing, maintaining or obtaining freedom to operate in such jurisdictions;
- potentially reduced protection for intellectual property rights;
- difficulties in compliance with different, complex and changing laws, regulations and court systems of multiple jurisdictions and compliance with a wide variety of foreign laws, treaties and regulations;
- changes in non-U.S. regulations and customs, tariffs and trade barriers;
- changes in non-U.S. currency exchange rates of the RMB;
- changes in a specific country's or region's political or economic environment especially with respect to a particular country's treatment of or stance towards other countries;

- trade protection measures, import or export licensing requirements or other restrictive actions by governments;
- differing reimbursement regimes and price controls in certain non-U.S. markets;
- negative consequences from changes in tax laws;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- variable tax treatment in different jurisdictions of options granted under our equity incentive plans;
- workforce uncertainty in countries where labor unrest is more common than in the United States; and
- business interruptions resulting from geo-political actions, including war and terrorism, health epidemics, or natural disasters including earthquakes, typhoons, floods and fires.

If we fail to comply with Chinese 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 are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures, fire safety and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our technology development and early discovery operations primarily occur in China and involve the use of hazardous materials, including chemical materials. Our operations also produce hazardous waste products. We are therefore subject to Chinese laws and regulations concerning the discharge of wastewater, gaseous waste and solid waste during our processes, including those relating to product development. We engage competent third-party contractors for the transfer and disposal of these materials and wastes. Despite our efforts to comply fully with environmental and safety regulations, any violation of these regulations may result in substantial fines, criminal sanctions, revocations of operating permits, the shutdown of our facilities and the incurrence of obligations to take corrective measures. We cannot completely eliminate the risk of contamination or injury from these materials and wastes. In the event of contamination or injury resulting from the use or discharge 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, administrative or criminal fines and penalties.

Although we maintain workers' compensation insurance to cover costs and expenses incurred due to on-the-job injuries to our employees and public liability insurance to cover costs and expenses that may be incurred if third parties are injured on our property, such insurance may not provide adequate coverage against potential liabilities. Furthermore, the Chinese government may take steps towards the adoption of more stringent environmental regulations, and, due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental regulations, our third-party manufacturers and other service providers may incur substantial capital expenditures to install, replace, upgrade or supplement their manufacturing facilities and equipment or make operational changes to limit any adverse impact or potential adverse impact on the environment in order to comply with new environmental protection laws and regulations. If such costs become prohibitively expensive, we may be forced to cease certain aspects of our business operations and our business may be materially adversely affected.

China's economic, political and social conditions, as well as governmental policies, could affect the business environment and financial markets in China, our ability to operate our business, our liquidity and our access to capital.

There are legal and operational risks associated with having our early discovery and preclinical operations conducted in China. Accordingly, our business, results of operations, financial condition and prospects may be influenced to a significant degree by economic, political, legal and social conditions in China. China's economy differs from the economies of developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While China's economy has experienced significant growth over the past 40 years, growth has been uneven across different regions and among various economic sectors of China. The Chinese government has implemented various measures to encourage economic development and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by

government control over capital investments or changes in tax regulations that are currently applicable to us. In addition, in the past the Chinese government 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.

Uncertainties with respect to the Chinese legal system and changes in laws, regulations and policies in China could materially and adversely affect us.

Chinese laws and regulations govern our operations in China and the implementation of these laws and regulations may be in part based on government policies and internal rules that are subject to the interpretation and discretion of different government agencies (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, we may not always be aware of any potential violation of these policies and rules. Such unpredictability regarding our contractual, property and procedural rights could adversely affect our business and impede our ability to continue our operations. Furthermore, since Chinese 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 we may not receive the level of legal protection we enjoy than in more developed legal systems. The Chinese legal system is evolving rapidly and the Chinese laws, regulations, and rules may change quickly with little or no advance notice. In particular, because these laws, rules and regulations are relatively new, and because of the limited number of published decisions and the non-precedential nature of these decisions, the interpretation of these laws, rules and regulations may contain inconsistencies, the enforcement of which involves uncertainties. These uncertainties could materially and adversely affect our business and results of operations.

In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention.

We may be exposed to liabilities under the U.S. Foreign Corrupt Practices Act, or the FCPA, and similar anti-corruption and anti-bribery laws of China and other countries in which we operate, as well as U.S. and certain foreign export controls, trade sanctions and import laws and regulations. Compliance with these legal requirements could limit our ability to compete in foreign markets and any determination that we have violated these laws could have a material adverse effect on our business or our reputation.

Our operations are subject to the FCPA and similar anti-bribery or anti-corruption laws, regulations or rules of China and other countries in which we operate. The FCPA and these other laws generally prohibit us, our officers, and our employees and intermediaries from, directly or indirectly, offering, authorizing or making improper payments to non-U.S. government officials for the purpose of obtaining or retaining business or other advantage. We may engage third parties for clinical trials outside of the United States, to sell our products abroad once we enter a commercialization phase, and/or to obtain necessary permits, licenses, patent registrations and other regulatory approvals. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. As our business expands, the applicability of the FCPA and other anti-bribery laws to our operations will increase. If our procedures and controls to monitor anti-bribery compliance fail to protect us from reckless or criminal acts committed by our employees or agents or if we, or our employees, agents, contractors or other collaborators, fail to comply with applicable anti-bribery laws, our reputation could be harmed and we could incur criminal or civil penalties, other sanctions and/or significant expenses, which could have a material adverse effect on our business, including our financial condition, results of operations, cash flows and prospects.

In addition, our products may be subject to U.S. and foreign export controls, trade sanctions and import laws and regulations. Governmental regulation of the import or export of our products, or our failure to obtain any required import or export authorization for our products, when applicable, could harm our international or domestic sales and adversely affect our revenue. Compliance with applicable regulatory requirements regarding the export of our products may create delays in the introduction of our products in international markets or, in some cases, prevent the export of our products to some countries altogether. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments and persons targeted by U.S. sanctions. If we fail to comply with export and import regulations and such economic sanctions, penalties could be imposed, including fines and/or denial of certain export privileges. Moreover, any new export or import restrictions, new legislation or shifting approaches in the enforcement or scope of existing regulations, or in the countries, persons or products targeted by such

regulations, could result in decreased use of our products by, or in our decreased ability to export our products to, existing or potential customers with international operations. Any decreased use of our products or limitation on our ability to export or sell our products would likely adversely affect our business.

Restrictions on currency exchange may limit our ability to receive and use effectively financing in foreign currencies, including proceeds from this offering.

Our Chinese subsidiaries' ability to obtain currency exchange is subject to significant foreign exchange controls and, in the case of transactions under the capital account, requires the approval of and/or registration with Chinese government authorities, including the State Administration of Foreign Exchange, or SAFE. In particular, if we finance our Chinese subsidiaries by means of foreign debt from us or other foreign lenders, the amount is not allowed to, among other things, exceed the statutory limits and such loans must be registered with the local branch of SAFE. If we finance our Chinese subsidiaries by means of additional capital contributions, these capital contributions are subject to registration with the State Administration for Market Regulation or its local branch, reporting of foreign investment information with the Ministry of Commerce of the People's Republic of China, or MOFCOM, or its local branch or registration with other governmental authorities in China.

In light of the various requirements imposed by Chinese regulations on loans to, and direct investment in, China-based entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government requirements or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans or capital contributions by us to our Chinese subsidiaries. If we fail to adhere to such requirements or obtain such approval, our ability to use the proceeds we receive from this offering and to capitalize or otherwise fund our Chinese operations, including our technology development and early discovery activities through Basecamp Bio, may be negatively affected, which could materially and adversely affect our ability to fund and expand our business.

Chinese regulations relating to the establishment of offshore special purpose companies by residents in China may subject our China resident beneficial owners or our wholly foreign-owned subsidiaries in China to liability or penalties, limit our ability to inject capital into these subsidiaries, limit these subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

In 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 residents of China to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." The term "control" under SAFE Circular 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by residents of China in the offshore special purpose vehicles or Chinese companies by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of or any significant changes with respect to the special purpose vehicle, such as an increase or decrease of capital contributed by China residents, share transfer or exchange, merger, division or other material events. If the shareholders of the offshore holding company who are residents of China do not complete their registration with the local SAFE branches, the Chinese subsidiaries may be prohibited from making distributions of profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore parent company and from carrying out subsequent cross-border foreign exchange activities, and the offshore parent company may be restricted in its ability to contribute additional capital into its Chinese subsidiaries. Moreover, failure to comply with the SAFE registration and amendment requirements described above could result in liability under Chinese law for evasion of applicable foreign exchange restrictions.

Certain residents of China may hold direct or indirect interests in our company, and we will request residents of China who we know hold direct or indirect interests in our company, if any, to make the necessary applications, filings and amendments as required under SAFE Circular 37 and other related rules. However, we may not at all times be fully aware or informed of the identities of our shareholders or beneficial owners that are required to make such registrations, and we cannot provide any assurance that these residents will comply with our

requests to make or obtain any applicable registrations or comply with other requirements under SAFE Circular 37 or other related rules. The failure or inability of our China resident shareholders to comply with the registration procedures set forth in these regulations may subject us to fines or legal sanctions, restrictions on our cross-border investment activities or those of our China subsidiaries and limitations on the ability of our wholly foreign-owned subsidiaries in China to distribute dividends or the proceeds from any reduction in capital, share transfer or liquidation to us, and we may also be prohibited from injecting additional capital into these subsidiaries. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under Chinese law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to make distributions to you could be materially and adversely affected.

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

The Enterprise Income Tax Law of the People's Republic of China, or the EIT Law, which was promulgated in March 2007, became effective in January 2008 and was amended in February 2017 and December 2018, and the Regulation on the Implementation of the EIT Law, effective as of January 1, 2008 and as amended in April 2019, define the term "de facto management bodies" as "bodies that substantially carry out comprehensive management and control on the business operation, personnel, accounts and assets of enterprises." Under the EIT Law, an enterprise incorporated outside of China whose "de facto management bodies" are located in China may be considered a "resident enterprise" and will be subject to a uniform 25% enterprise income tax, or EIT, rate on its global income. The Notice Regarding the Determination of Chinese-Controlled Offshore-Incorporated Enterprises as Chinese Tax Resident Enterprises on the Basis of De Facto Management Bodies, or SAT Circular 82, issued by the State Taxation Administration of the People's Republic of China, or the SAT, on April 22, 2009 and as amended in November 2013 and December 2017 further specifies certain criteria for the determination of what constitutes "de facto management bodies." If all of these criteria are met, the relevant foreign enterprise may be regarded to have its "de facto management bodies" located in China and therefore be considered a Chinese resident enterprise. These criteria include: (i) the enterprise's day-to-day operational management is primarily exercised in China; (ii) decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organizations or personnel in China; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholders' meeting minutes are located or maintained in China; and (iv) 50% or more of voting board members or senior executives of the enterprise habitually reside in China. Although SAT Circular 82 only applies to foreign enterprises that are majority-owned and controlled by Chinese enterprises, not those owned and controlled by foreign enterprises or individuals, the determining criteria set forth in SAT Circular 82 may be adopted by the Chinese tax authorities as the reference for determining whether the enterprises are Chinese tax residents, regardless of whether they are majority-owned and controlled by Chinese enterprises.

We believe that neither we nor any of our subsidiaries outside of China is a China resident enterprise for Chinese tax purposes. However, the tax resident status of an enterprise is subject to determination by the Chinese tax authorities, and uncertainties remain with respect to the interpretation of the term "de facto management body." If the Chinese tax authorities determine that we or any of our subsidiaries outside of China is a Chinese resident enterprise for EIT purposes, that entity would be subject to a 25% EIT on its global income. If such entity derives income other than dividends from its wholly-owned subsidiaries in China, a 25% EIT on its global income may increase our tax burden.

In addition, if we are classified as a China resident enterprise for Chinese tax purposes, we may be required to withhold tax at a rate of 10% from dividends we pay to our shareholders, including the holders of our ADSs, that are non-resident enterprises. Further, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% Chinese withholding tax on gains realized on the sale or other disposition of our ADSs or ordinary shares if such income is treated as sourced from within China. Furthermore, gains derived by our non-Chinese individual shareholders from the sale of our ordinary shares and ADSs may be subject to a 20% Chinese withholding tax. It is unclear whether our non-China-based individual shareholders (including our ADS holders) would be subject to any Chinese tax (including withholding tax) on dividends received by such non-Chinese individual shareholders in the event we are determined to be a China resident enterprise. If any Chinese tax were to apply to such dividends, it would generally apply at a rate of 20%. Chinese tax liability may vary under applicable tax treaties. However, it is unclear whether our non-China shareholders would be able

to claim the benefits of any tax treaties between their country of tax residence and China in the event that we are treated as a China resident enterprise.

We and our shareholders face uncertainties in China with respect to indirect transfers of equity interests in China resident enterprises.

The indirect transfer of equity interests in China resident enterprises by a non-China resident enterprise, or Indirect Transfer, is potentially subject to income tax in China at a rate of 10% on the gain if such transfer is considered as not having a commercial purpose and is carried out for tax avoidance. The SAT has issued several rules and notices to tighten the scrutiny over acquisition transactions in recent years. The Announcement of the State Administration of Taxation on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises, or SAT Circular 7, sets out the scope of Indirect Transfers, which includes any changes in the shareholder's ownership of a foreign enterprise holding Chinese assets directly or indirectly in the course of a group's overseas restructuring, and the factors to be considered in determining whether an Indirect Transfer has a commercial purpose. An Indirect Transfer satisfying all the following criteria will be deemed to lack a bona fide commercial purpose and be taxable under Chinese laws: (i) 75% or more of the equity value of the intermediary enterprise being transferred is derived directly or indirectly from the Chinese taxable assets; (ii) at any time during the one-year period before the indirect transfer, 90% or more of the asset value of the intermediary enterprise (excluding cash) is comprised directly or indirectly of investments in China, or 90% or more of its income is derived directly or indirectly from China; (iii) the functions performed and risks assumed by the intermediary enterprise and any of its subsidiaries that directly or indirectly hold the Chinese taxable assets are limited and are insufficient to prove their economic substance; and (iv) the non-Chinese tax payable on the gain derived from the indirect transfer of the Chinese taxable assets is lower than the potential Chinese income tax on the direct transfer of such assets. A transaction that does not satisfy all four tests in the immediately preceding sentence may nevertheless be deemed to lack a bona fide commercial purpose if the taxpayer cannot justify such purpose from a totality approach, taking into account the transferred group's value, income, asset composition, the history and substance in the structure, the non-Chinese tax implications, any tax treaty benefit and the availability of alternative transactions. Nevertheless, a non-resident enterprise's buying and selling shares or ADSs of the same listed foreign enterprise on the public market will fall under the safe harbor available under SAT Circular 7 if the shares and ADSs were purchased on the public market as well and will not be subject to Chinese tax pursuant to SAT Circular 7.

However, as these rules and notices are relatively new and there is a lack of clear statutory interpretation, we face uncertainties regarding the reporting required for and impact on future private equity financing transactions, share exchanges or other transactions involving the transfer of shares in our company by investors that are non-Chinese resident enterprises, or the sale or purchase of shares in other non-Chinese resident companies or other taxable assets by us. For example, the Chinese tax authorities may consider that this offering involves an indirect change of shareholding in our Chinese subsidiaries and therefore it may be regarded as an Indirect Transfer under SAT Circular 7. Although we believe no SAT Circular 7 reporting is required on the basis that this offering has commercial purposes and is not conducted for tax avoidance, Chinese tax authorities may pursue us to report under SAT Circular 7 and request that we and our Chinese subsidiaries assist in the filing. As a result, we and our subsidiaries may be required to expend significant resources to provide assistance and comply with SAT Circular 7, or establish that we or our non-resident enterprises should not be subject to tax under SAT Circular 7, for the current offering or other transactions, which may have an adverse effect on our and their financial condition and day-to-day operations.

Any failure to comply with Chinese regulations regarding the registration requirements for our employee equity incentive plans may subject us to fines and other legal or administrative sanctions, which could adversely affect our business, financial condition and results of operations.

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, or the Stock Option Rules. In accordance with the Stock Option Rules and other relevant rules and regulations, Chinese citizens or non-Chinese 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 SAFE through a domestic qualified agent, which could be a Chinese subsidiary of such overseas listed company, and complete certain procedures. We and our employees

who are Chinese citizens or who reside in China for a continuous period of not less than one year and who participate in our stock incentive plans will be subject to such regulation. We plan to assist our employees to register their equity awards. However, any failure of our Chinese individual beneficial owners and holders of equity awards to comply with the SAFE registration requirements may subject them to fines and legal sanctions and may limit the ability of our Chinese subsidiaries to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors and employees under Chinese law.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain sufficient intellectual property protection for our platform technologies and product candidates, or if the scope of the intellectual property protection is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our products may be adversely affected.

We rely upon a combination of patents, trademarks, trade secret protection and confidentiality agreements to protect the intellectual property related to our products and technologies and to prevent third parties from copying and surpassing our achievements, thus eroding our competitive position in our markets. Our success depends in large part on our ability to obtain and maintain patent protection for our product candidates and their intended uses, maintain trade secret protection of our platform technologies, as well as our ability to operate without infringing the proprietary rights of others. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our novel discoveries and technologies that are important to our business. Our pending and future patent applications may not result in patents being issued, or may not result in issued patents that will afford sufficient protection of our product candidates or their intended uses against competitors, nor can there be any assurance that the patents issued will not be infringed, designed around, invalidated by third parties, or effectively prevent others from commercializing competitive technologies or products.

Obtaining and enforcing patents is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications or maintain and/or enforce patents that may issue based on our patent applications, at a reasonable cost or in a timely manner, including due to delays as a result of the COVID-19 pandemic impacting our or our licensors' operations. Further, we may decide to not pursue or seek patent protection in all relevant markets. It is also possible that we will fail to identify patentable aspects of our research and development results before it is too late to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, contract research organizations, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach these agreements and disclose such results before a patent application is filed, thereby jeopardizing our ability to seek patent protection. If we delay in filing a patent application, and a competitor files a patent application on the same or a similar technology before we do, we may face a limited ability to secure patent rights. Or we may not be able to obtain a patent on such technology at all. Even if we can patent the technology, we may be able to patent only a limited scope of the technology, and the limited scope may be inadequate to protect our product candidates, or to block competitor products or product candidates that are similar to ours.

Composition of matter patents for pharmaceutical product candidates often provide a strong form of intellectual property protection for those types of products, as such patents provide protection without regard to any method of use. The claims in our pending patent applications directed to composition of matter of our product candidates may not be considered patentable by the United States Patent and Trademark Office, or USPTO, or by patent offices in foreign countries, or that the claims in any of our issued patents will be considered valid and enforceable by courts in the United States or foreign countries. Method of use patents protect the use of a product for the specified method. This type of patent does not prevent a competitor from making and marketing a product that is identical to our product for an indication that is outside the scope of the patented method. Moreover, even if competitors do not actively promote their product for our targeted indications, physicians may prescribe these products "off-label." Although off-label prescriptions may infringe or contribute to the infringement of method of use patents, the practice is common and such infringement is difficult to prevent or prosecute.

The patent position of biopharmaceutical companies generally is highly uncertain, involves complex legal and factual questions for which many legal principles continue to change. In recent years, patent rights have been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. 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. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, or vice versa.

We cannot ensure that patent rights relating to inventions described and claimed in our pending patent applications will issue or that patents based on our patent applications will not be challenged and rendered invalid and/or unenforceable.

The patent application process is subject to numerous risks and uncertainties, and we or any of our potential future collaborators may not be successful in protecting our product candidates by obtaining and defending patents. For example, we may not be aware of all third-party intellectual property rights potentially relating to our product candidates or their intended uses, and as a result the impact of such third-party intellectual property rights upon the patentability of our own patents and patent applications, as well as the impact of such third-party intellectual property upon our freedom to operate, is highly uncertain. Patent applications in the United States and other foreign jurisdictions are typically not published until 18 months after filing or, in some cases, not at all. Therefore, we cannot know with certainty whether 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. As a result, the issuance, inventorship, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. We or any of our potential future collaborators may not be successful in protecting our product candidates by obtaining and defending patents. We have pending U.S. and foreign patent applications in our portfolio; however, we cannot predict:

- if and when patents may issue based on our patent applications;
- the scope of protection of any patent issuing based on our patent applications;
- whether the claims of any patent issuing based on our patent applications will provide protection against competitors;
- whether or not third parties will find ways to invalidate or circumvent our patent rights;
- whether or not others will obtain patents claiming aspects similar to those covered by our patents and patent applications;
- whether we will need to initiate litigation or administrative proceedings to enforce and/or defend our patent rights which will be costly whether we win or lose;
- whether the patent applications that we own or in-license will result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries; and/or
- whether we may experience patent office interruption or delays to our ability to timely secure patent coverage to our product candidates.

The claims in our pending patent applications directed to our product candidates and/or technologies may not be considered patentable by the USPTO or by patent offices in foreign countries. Any such patent applications may not be issued as granted patents. One aspect of the determination of patentability of our inventions depends on the scope and content of the "prior art," information that was or is deemed available to a person of skill in the relevant art prior to the priority date of the claimed invention. There may be prior art of which we are not aware that may affect the patentability of our patent claims or, if issued, affect the validity or enforceability of a patent claim. There may be double patenting among our own patents, which the patent examiner(s) fail to raise during prosecution. Even if the patents do issue based on our patent applications, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. Furthermore, even if they are unchallenged, patents in our portfolio may not adequately exclude third parties from practicing relevant technology or prevent others from designing around our claims. If the breadth or strength of our intellectual property position with respect to our product candidates is threatened, it could dissuade companies from collaborating with us to develop and threaten our ability to commercialize our product candidates.

Our pending patent applications may be challenged in the USPTO or in patent offices in foreign countries. Also, because the issuance of a patent is not conclusive as to its scope, validity or enforceability, even issued patents may later be found invalid or unenforceable or may be modified or revoked in proceedings instituted by third parties before various patent offices or in courts. For example, our pending patent applications may be subject to third-party pre-issuance submissions of prior art to the USPTO or patent offices in foreign countries or our issued patents may be subject to post-grant review, or PGR, proceedings, oppositions, derivations, reexaminations, or *inter partes* review, or IPR, proceedings, in the United States or elsewhere, challenging our patent rights or the patent rights of others. An adverse determination in any such challenges may result in loss of exclusivity or in our patent claims being narrowed, invalidated, or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technologies and products, or limit the duration of the patent protection of our technologies and product candidates. In addition, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, only limited protection may be available and our patent portfolio may not provide us with sufficient rights or permit us to gain or keep any competitive advantage. Any failure to obtain or maintain patent protection with respect to our product candidates or their uses could have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on trade secret and proprietary know-how which can be difficult to trace and enforce and, if we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patent protection for our product candidates and technologies, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable, processes for which patents are difficult to enforce and any other elements of our discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. Elements of our product candidates, including processes for their preparation and manufacture, may involve proprietary know-how, information, or technology that is not covered by patents, and thus for these aspects we may consider trade secrets and know-how to be our primary intellectual property. We may also rely on trade secret protection as temporary protection for concepts that may be included in a future patent filing. We expect to rely on CROs and third parties to generate chemical molecules and important research data. Any disclosure, either intentional or unintentional, by our employees or third-party consultants and vendors or CROs that we engage to perform research, clinical trials or manufacturing activities, or misappropriation by third parties (such as through a cybersecurity breach) of our trade secrets or proprietary information could enable competitors to duplicate or surpass our technological achievements, thus eroding our competitive position in our market. Because we expect to rely on third parties in the development and manufacture of our product candidates, we must, at times, share trade secrets with them. Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

However, trade secret protection will not protect us from innovations that a competitor develops independently of our proprietary know-how. If a competitor independently develops a technology that we protect as a trade secret and files a patent application on that technology, then we may not be able to patent that technology in the future, may require a license from the competitor to use our own know-how, and if the license is not available on commercially-viable terms, then we may not be able to complete development of, or commercialize, our products. Although we require all of our employees, consultants, collaborators, CROs, contract manufacturers, advisors and any third parties who have access to our proprietary know-how, information or technologies to enter into confidentiality agreements, we cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. We cannot be certain that our trade secrets and other confidential proprietary information may not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, 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 is difficult, expensive and time-consuming, and the outcome is unpredictable. Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. We may need to share

our proprietary information, including trade secrets, with future business partners, collaborators, contractors and others located in countries at heightened risk of theft of trade secrets, including through direct intrusion by private parties or foreign actors, and those affiliated with or controlled by state actors. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached, and we may not have adequate remedies for any breach. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, we will not be able to establish or maintain a competitive advantage in our market, and this scenario could materially adversely affect our business, financial condition and results of operations.

We may rely on one or more in-licenses from third parties. If we lose these rights, our business may be materially adversely affected, and if disputes arise with one or more licensors, we may be subjected to future litigation as well as the potential loss of or limitations on our ability to develop and commercialize products and technologies covered by these license agreements.

The growth of our business may depend in part on our ability to acquire or in-license additional proprietary rights. We may be unable to acquire or in-license any relevant third-party intellectual property rights that we identify as necessary or important to our business operations. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all, which would adversely affect our business. We may need to cease use of the technology covered by such third-party intellectual property rights, and may need to seek to develop alternative approaches that do not infringe on such intellectual property rights which may entail additional costs and development delays, even if we were able to develop such alternatives, which may not be feasible. Even if we are able to obtain a license under such intellectual property rights, any such license may be non-exclusive, and may allow our competitors access to the same technologies licensed to us. The licensing and acquisition of third-party intellectual property rights is a competitive practice, and companies that may be more established, or have greater resources than we do, may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive for commercializing our product candidates. More established companies may have a competitive advantage over us due to their larger size and cash resources or greater clinical development and commercialization capabilities. We may not be able to successfully complete such negotiations and ultimately acquire the rights to the intellectual property surrounding the additional product candidates and technology that we may seek to acquire.

We may in the future enter into license agreements with third parties under which we receive rights to intellectual property that are important to our business. Our rights to use the technology we license are subject to the continuation of and compliance with the terms of those agreements. These intellectual property license agreements may require of us various development, regulatory and/or commercial diligence obligations, payment of milestones and/or royalties and other obligations. If we fail to comply with our obligations under these agreements (including as a result of COVID-19 impacting our operations), we use the licensed intellectual property in an unauthorized manner or we are subject to bankruptcy-related proceedings, the terms of the license agreements may be materially modified, such as by rendering currently exclusive licenses non-exclusive, or it may give our licensors the right to terminate their respective agreement with us, which could limit our ability to implement our current business plan and materially adversely affect our business, financial condition, results of operations and prospects.

We may also in the future enter into license agreements with third parties under which we are a sublicensee. If our sublicensor fails to comply with its obligations under its upstream license agreement with its licensor, the licensor may have the right to terminate the upstream license, which may terminate our sublicense. If this were to occur, we would no longer have rights to the applicable intellectual property unless we are able to secure our own direct license with the owner of the relevant rights, which we may not be able to do on reasonable terms, or at all, which may impact our ability to continue to develop and commercialize our product candidates incorporating the relevant intellectual property.

In some cases, we may not control the prosecution, maintenance or filing of the patents to which we hold licenses, or the enforcement of those patents against third parties. Hence, our success will depend in part on the ability of our licensors to obtain, maintain and enforce patent protection for our licensed intellectual property, in particular, those patents to which we have secured exclusive rights. Our licensors may not

successfully prosecute the patent applications to which we are licensed in a manner consistent with the best interests of our business. Even if patents are issued in respect of these patent applications, our licensors may fail to maintain these patents, may determine not to pursue litigation against other companies that are infringing these patents, or may pursue such litigation less aggressively than we would. Without protection for the intellectual property we license, other companies might be able to offer substantially identical products for sale, which could adversely affect our competitive business position and harm our business prospects. Further, we may have limited control over these activities or any other intellectual property that may be in-licensed. For example, we cannot be certain that such activities by licensors have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents and other intellectual property rights. We may have limited control over the manner in which our licensors initiate an infringement proceeding against a third-party infringer of the intellectual property rights, or defend certain of the intellectual property that is licensed to us. It is possible that the licensors' infringement proceeding or defense activities may be less vigorous than had we conducted them ourselves. In the event our licensors fail to adequately pursue and maintain patent protection for patents and applications they control, and to timely cede control of such prosecution to us, our competitors might be able to enter the market, which would have a material adverse effect on our business.

Moreover, disputes may arise with respect to our licensing or other upstream agreements, including:

- the scope of rights granted under the agreements and other interpretation-related issues;
- whether and the extent to which our systems and consumables, technologies and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under our collaborative development relationships;
- our diligence obligations under the license agreements 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 spite of our efforts to comply with our obligations under our in-license agreements, our licensors might conclude that we have materially breached our obligations under our license agreements and might therefore, including in connection with any aforementioned disputes, terminate the relevant license agreement, thereby removing or limiting our ability to develop and commercialize products and technology covered by these license agreements. If any such in-license is terminated, or if the licensed patents fail to provide the intended exclusivity, competitors or other third parties might have the freedom to market or develop products similar to ours. In addition, absent the rights granted to us under such license agreements, we may infringe the intellectual property rights that are the subject of those agreements, we may be subject to litigation by the licensor, and if such litigation by the licensor is successful we may be required to pay damages to such licensor, or we may be required to cease our development and commercialization activities which are deemed infringing, and in such event we may ultimately need to modify our activities or products to design around such infringement, which may be time- and resource-consuming, and which may not be ultimately successful. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, certain of our future agreements with third parties may limit or delay our ability to consummate certain transactions, may impact the value of those transactions, or may limit our ability to pursue certain activities. For example, we may in the future enter into license agreements that are not assignable or transferable, or that require the licensor's express consent in order for an assignment or transfer to take place.

Our intellectual property licensed from third parties may be subject to retained rights.

Our future licensors may retain certain rights under their agreements with us, including the right to use the underlying technology for noncommercial academic and research use, to publish general scientific findings from research related to the technology, and to make customary scientific and scholarly disclosures of information relating to the technology. It is difficult to monitor whether our licensors limit their use of the technology to these uses, and we could incur substantial expenses to enforce our rights to our licensed technology in the event of misuse.

Government agencies may provide funding, facilities, personnel or other assistance in connection with the development of the intellectual property rights owned by or licensed to us. Such government agencies may have retained rights in such intellectual property. The United States federal government retains certain rights in inventions produced with its financial assistance under the Patent and Trademark Law Amendments Act, or the Bayh-Dole Act; these include the right to grant or require us to grant mandatory licenses or sublicenses to such intellectual property to third parties under certain specified circumstances, including if it is necessary to meet health and safety needs that we are not reasonably satisfying or if it is necessary to meet requirements for public use specified by federal regulations, or to manufacture products in the United States. Any exercise of such rights, including with respect to any such required sublicense of these licenses could result in the loss of significant rights and could harm our ability to commercialize licensed products. While it is our policy to avoid engaging our university partners in projects in which there is a risk that federal funds may be commingled, we cannot be sure that any co-developed intellectual property will be free from government rights pursuant to the Bayh-Dole Act. If, in the future, we co-own or license in technology which is critical to our business that is developed in whole or in part with federal funds subject to the Bayh-Dole Act, our ability to enforce or otherwise exploit patents covering such technology may be adversely affected.

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

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and/or applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our owned and licensed patents and/or applications and any patent rights we may own or license in the future. We rely on our outside counsel, patent annuity service providers, or our licensing partners to pay these fees due to non-U.S. patent agencies. If these fees are not paid to the USPTO or the non-U.S. patent agencies when due, our rights to such patents or patent applications may be abandoned or otherwise materially impaired.

The USPTO and various non-U.S. government patent agencies require compliance with several procedural, documentary, and other similar provisions during the patent application process. For example, many countries, including the U.S. and China, require a foreign filing license to seek patent protection in a country outside of the inventor's or invention's country. Each country's laws regarding foreign filing licenses vary and may even conflict. We employ reputable law firms and other professionals to help us comply and we are also dependent on our licensors to take the necessary action to comply with these requirements with respect to our intellectual property. In many cases, an inadvertent lapse, including due to the effect of the COVID-19 pandemic on us, our licensors or our vendors, can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in 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, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, potential competitors might be able to enter the market and this circumstance could harm our business.

Patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are paid timely, the natural expiration of a patent is generally 20 years from the earliest filing date of a non-provisional patent application. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. For instance, a patent term extension based on regulatory delay may be available in the United States. However, only a single patent can be extended for each marketing approval, and any patent can be extended only once, for a single product. Moreover, the scope of protection during the period of the patent term extension does not necessarily extend to all patent claims, but instead only to patent claims that read on the product as approved. Even if patents covering our product candidates are obtained, once the patent life has expired for a product candidate, we may be open to competition.

Given the amount of time required for the development, testing and regulatory review of our new product candidates such as GSBP-1290, ANPA-0073 and any of our future product candidates, patents protecting

such candidates might expire before or shortly after such candidates are commercialized. We expect to seek extensions of patent terms in the United States and, if available, in other countries where we are prosecuting patents. In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a patent term extension of up to five years beyond the normal expiration of the patent, which is limited to the approved indication (or any additional indications approved during the period of extension) as compensation for effective patent term lost during product development and FDA regulatory review process. However, we may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. Only one patent per approved product can be extended, the extension cannot extend the total patent term beyond 14 years from approval and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. Further, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for the applicable product candidate will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced. Further, if this occurs, our competitors may be able to take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data and launch their product candidates earlier than might otherwise be the case.

Intellectual property rights do not necessarily address all potential threats to our business.

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. The following examples are illustrative:

- others may be able to make compounds or formulations that are similar to our product candidates but that are not covered by the claims of any patents that we own or control;
- we or any strategic partners might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own or control;
- we might not have been the first to file patent applications covering certain of the inventions we own or control;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that noncompliance with the USPTO and foreign governmental agencies requirement for a number of procedural, documentary, fee payment and other provisions during the patent process or technology export can result in abandonment or lapse of a patent or patent application, and partial or complete loss of patent rights in the relevant jurisdiction;
- pending patent applications that we own or control may not lead to issued patents;
- issued patents that we own or control may be held invalid or unenforceable as a result of legal challenges;
- our competitors might conduct research and development activities in the United States and other foreign countries that provide a safe harbor from patent infringement claims for certain research and development activities, as well as in countries where we do not have patent rights and then use the information learned from such activities to develop competitive product candidates for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- we cannot predict the scope of protection of any patent issuing based on our patent applications, including whether the patent applications that we own or in-license will result in issued patents with claims that directed to our product candidates or uses thereof in the United States or in other foreign countries;

- there may be significant pressure on the U.S. government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns;
- countries other than the United States may have patent laws that are less favorable to patentees than those upheld by U.S. courts, allowing foreign competitors a better opportunity to create, develop and market competing product candidates;
- the claims of any patent issued based on our patent applications may not provide protection against competitors or any competitive advantages, or may be challenged by third parties;
- if enforced, a court may not hold that our patents are valid, enforceable and infringed;
- we may not develop additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on our business, including if others obtain patents claiming subject matter similar to or improving that covered by our patents and patent applications.

Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could have a negative impact on the success of our business.

Our commercial success depends, in part, upon our ability and the ability of our current or future collaborators to develop, manufacture, market and sell our current and any future product candidates and use our proprietary technologies without infringing the proprietary rights and intellectual property of third parties. The biotechnology and pharmaceutical industries are characterized by extensive and complex litigation regarding patents and other intellectual property rights. Because the intellectual property landscape in the industry in which we participate is rapidly evolving and interdisciplinary, it is difficult to conclusively assess our freedom to operate without infringing on third-party rights. U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields relating to our product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that others may assert our product candidates infringe the patent rights of others. Moreover, it is not always clear to industry participants, including us, which patents cover various types of drugs, products or their methods of use or manufacture. Thus, because of the large number of patents issued and patent applications filed in our fields, there may be a risk that third parties may allege they have patent rights encompassing our product candidates, technologies or methods.

Our product candidates and other proprietary technologies we may develop may infringe existing or future patents owned by third parties. We may in the future become party to, or be threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our current and any future product candidates and technologies, including interference or derivation, PGR and IPR proceedings before the USPTO. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of their merit. There is a risk that third parties may choose to engage in litigation with us to enforce or to otherwise assert their patent rights against us. Even if we believe such claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, which could have a negative impact on our ability to commercialize our current and any future product candidates. In order to successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, a court of competent jurisdiction may not invalidate the claims of any such U.S. patent. If we are found to infringe a third party's valid and enforceable intellectual property rights, we could be required to obtain a license from such third party to continue developing, manufacturing and marketing our product candidate(s) and technologies. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing and royalty payments. We could be forced, including by court order, to cease developing, manufacturing and commercializing the infringing technologies or product candidate, or redesign our product candidates or processes so they do not infringe, which may not be possible or may require substantial monetary expenditures and time. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent or other intellectual property right. A finding of

infringement could prevent us from manufacturing and commercializing our current or any future product candidates or force us to cease some or all of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business, financial condition, results of operations and prospects.

Third parties asserting their patent or other intellectual property rights against us may also seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidates or force us to cease some of our business operations. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management and other employee resources from our business, cause development delays, and may impact our reputation.

In addition, if our product candidates are found to infringe the intellectual property rights of third parties, these third parties may assert infringement claims against our licensees and other parties with whom we have business relationships, and we may be required to indemnify those parties for any damages they suffer as a result of these claims. The claims may require us to initiate or defend protracted and costly litigation on behalf of licensees and other parties regardless of the merits of these claims. If any of these claims succeed, we may be forced to pay damages on behalf of those parties or may be required to obtain licenses for the products they use.

Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects.

Additionally, during the course of any intellectual property litigation, there could be public announcements of the initiation of the litigation as well as 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 existing product candidates, 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 future products, which could have a material adverse effect on our business.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful.

Competitors or other third parties may infringe or otherwise violate our patents, trademarks or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming and divert the time and attention of our management and scientific personnel. Our pending patent applications cannot be enforced against third parties practicing the technologies claimed in such applications unless and until a patent issues from such applications. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents, in addition to counterclaims asserting that our patents are invalid or unenforceable, or both. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non-enablement or insufficient written description. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or patent offices in foreign countries or made a misleading statement during prosecution. Third parties may also raise similar validity claims before the USPTO in post-grant proceedings such as ex parte reexaminations, IPR, or PGR, or oppositions or similar proceedings outside the United States, in parallel with litigation or even outside the context of litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. There may be invalidating prior art, of which we and the patent examiner were unaware during prosecution. There may be double patenting among our own patents, which the patent examiner(s) fail to raise during prosecution. For the patents and patent applications that we have licensed, we may have limited or no right to participate in the defense of any licensed patents against challenge by a third party. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of any future patent protection on our current or future product candidates. Such a loss of patent protection could harm our business.

In any patent infringement proceeding, there is a risk that a court will decide that a patent of ours is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patent claims do not cover the invention, or decide that the other party's use of our patented technologies falls under the safe harbor to patent infringement under 35 U.S.C. §271(e)(1). An adverse outcome in a litigation or other proceeding involving our patents could limit our ability to assert our patents against those parties or other competitors and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. In addition, if the breadth or strength of protection provided by our patents and patent applications or those of our future licensors is threatened, it could dissuade other companies from collaborating with us to license, develop or commercialize current or future product candidates. Any of these occurrences could adversely affect our competitive business position, business prospects and financial condition. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In such case, we could ultimately be forced to cease use of such trademarks. In any intellectual property litigation, even if we are successful, any award of monetary damages or other remedy we receive may not be commercially valuable.

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 or may not be an adequate remedy. 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 litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our ADSs. Moreover, we cannot assure you that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings.

Further, interference or derivation proceedings provoked by third parties or brought by the USPTO or patent offices in foreign countries may be necessary to determine the priority of inventions with respect to, or the correct inventorship of, our patents or patent applications or those of our licensors. An unfavorable outcome could result in a loss of our current patent rights and could require us to cease using the related technologies or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Litigation, interference, derivation or other proceedings may result in a decision adverse to our interests and, even if we are successful, may result in substantial costs and distract our management and other employees.

We may not be able to prevent, alone or with our licensors, misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States. Any litigation or other proceedings to enforce our intellectual property rights may fail, and even if successful, may result in substantial costs and distract our management and other employees.

Because of the expense and uncertainty of litigation, we may not be in a position to enforce our intellectual property rights against third parties.

Because of the expense and uncertainty of litigation, we may conclude that even if a third-party is infringing our issued patent, any patents that may be issued as a result of our pending or future patent applications or other intellectual property rights, the risk-adjusted cost of bringing and enforcing such a claim or action may be too high or not in the best interest of our company or our shareholders, or it may be otherwise impractical or undesirable to enforce our intellectual property against some third parties. Our competitors or other third parties may be able to sustain the costs of complex patent litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. In such cases, we may decide that the more prudent course of action is to simply monitor the situation or initiate or seek some other non-litigious action or solution. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to continue our clinical trials, continue our internal

research programs, in-license needed technologies or other product candidates, or enter into development partnerships that would help us bring our product candidates to market.

Changes in U.S. patent law or the patent law of other countries or jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our current and any future product candidates.

Changes in either the patent laws or interpretation of the patent laws in the United States and other foreign countries could increase uncertainties and costs, and may diminish our ability to protect our inventions, obtain, maintain, and enforce our intellectual property rights and, more generally, could affect the value of our patents or narrow the scope of our patent protection. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. When implemented, the Leahy-Smith Act included several significant changes to U.S. patent law that impacted how patent rights could be prosecuted, enforced and defended. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including PGR, IPR, and derivation proceedings. Further, because of a lower evidentiary standard in these USPTO post-grant proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a patent claim invalid even though the same evidence would be insufficient to invalidate the patent claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Thus, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, under the Leahy-Smith Act, the United States transitioned from a "first-to-invent" system to a "first-to-file" system in which, assuming that the other statutory requirements are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third-party was the first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013, but before we file an application covering the same invention, could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we or our licensors were the first to either (i) file any patent application related to our product candidates and other proprietary technologies we may develop or (ii) invent any of the inventions claimed in our or our licensor's patents or patent applications. Even where we have a valid and enforceable patent, we may not be able to exclude others from practicing the claimed invention where the other party can show that they used the invention in commerce before our filing date or the other party benefits from a compulsory license.

The USPTO developed new regulations and procedures governing the administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, became effective on March 16, 2013. It remains unclear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a negative effect on our business.

In addition, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening 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. Depending on actions 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 patents that we have licensed or that we might obtain in the future. Similarly, changes in patent law and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or

changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we have licensed or that we may obtain in the future.

We may not be able to protect our intellectual property rights throughout the world, which could negatively impact our business.

Filing, prosecuting and defending patents covering our current and any future product candidates throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can have a different scope and strength than do those in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other countries. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own product candidates and, further, may export otherwise infringing product candidates to territories where we may obtain patent protection, but where patent enforcement is not as strong as that in the United States. These product candidates may compete with our product candidates in jurisdictions where we do not have any issued or licensed patents and any future patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property, particularly those relating to biopharmaceutical products, which could make it difficult in those jurisdictions for us to stop the infringement or misappropriation of our patents or other intellectual property rights, or the marketing of competing products in violation of our proprietary rights. Proceedings to enforce our patent and other intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Furthermore, such proceedings could put our patents at risk of being invalidated, held unenforceable, or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke third parties to assert claims of infringement or misappropriation 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. Similarly, if our trade secrets are disclosed in a foreign jurisdiction, competitors worldwide could have access to our proprietary information and we may be without satisfactory recourse.

Such disclosure could have a material adverse effect on our business. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. In addition, certain developing countries, including China and India, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we and our licensors may have limited remedies if patents are infringed or if we or our licensors are compelled to grant a license to a third party, which could materially diminish the value of those patents. In addition, many countries limit the enforceability of patents against government agencies or government contractors. This could limit our potential revenue opportunities. 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.

We may be subject to claims that our employees, consultants, or advisors have wrongfully used or disclosed trade secrets or other confidential information of their current or former employers or claims asserting inventorship or ownership of what we regard as our own intellectual property.

Many of our employees, consultants, and advisors are currently or were previously employed at universities or other healthcare, biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants, and advisors 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 individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer or client. Litigation may be necessary to defend against these 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.

We may be subject to claims that former employees, collaborators, or other third parties have an interest in our patents or other intellectual property as an inventor or co-inventor. The failure to name the proper inventors

on a patent application can result in the patents issuing thereon being invalid or unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing our product candidates or as a result of questions regarding co-ownership of potential joint inventions. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management and other employees.

Our licensors may have relied on third-party consultants or collaborators or on funds from third parties, such as the U.S. government, such that our licensors are not the sole and exclusive owners of the patents we in-licensed. If other third parties have ownership rights or other rights to our in-licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing product candidates and technology. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or 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, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which might adversely affect our ability to develop and market our products.

Any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, may not be complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our products. For example, we may incorrectly determine that our products are not covered by a third-party patent or may incorrectly predict whether a third-party's pending application will issue with claims of relevant scope. Also, our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our product candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products.

One aspect of the determination of patentability of our inventions depends on the scope and content of the "prior art," information that was or is deemed available to a person of skill in the relevant art prior to the priority date of the claimed invention. There may be prior art of which we are not aware that may affect the patentability of the claims of our patent applications or, if issued, affect the validity or enforceability of a patent claim. Further, we may not be aware of all third-party intellectual property rights potentially relating to our product candidates or their intended uses, and as a result the impact of such third-party intellectual property rights upon the patentability of our own patents and patent applications, as well as the impact of such third-party intellectual property upon our freedom to operate, is highly uncertain. Because patent applications in the United States and most other countries are confidential for typically a period of 18 months after filing, or may not be published at all, we may not be the first to file any patent application related to our product candidates. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Furthermore, for U.S. applications in which all claims are entitled to a priority date before

March 16, 2013, an interference proceeding can be provoked by a third party or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. For U.S. applications containing a patent claim not entitled to priority before March 16, 2013, there is a greater level of uncertainty in the patent law in view of the passage of the Leahy-Smith Act, which brought into effect significant changes to the U.S. patent laws, including new procedures for challenging pending patent applications and issued patents.

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 business may be adversely affected.

Our current or future trademarks or trade names may be challenged, opposed, infringed, circumvented, invalidated, cancelled, declared generic, determined to be not entitled to registration, or determined to be infringing on other marks. During trademark registration proceedings, we may receive rejections of our applications by the USPTO or in foreign jurisdictions. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. Any trademark litigation could be expensive. In addition, we could be found liable for significant monetary damages, including treble damages, disgorgement of profits and attorneys' fees, if we are found to have willfully infringed a trademark. We may not be able to protect our exclusive right to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential collaborators or customers in our markets of interest. 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. We may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names.

Moreover, any name we have proposed to use with our product candidates in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. Similar requirements exist in Europe. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA (or an equivalent administrative body in a foreign jurisdiction) objects to any of our proposed proprietary product names, it may be required to expend significant additional resources in an effort to identify a suitable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. Furthermore, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement claim asserted by the owner of a senior trademark.

Risks Related to Our ADSs and This Offering

An active trading market for our ADSs may not develop and you may not be able to resell your ADSs at or above the initial offering price, if at all.

This offering constitutes the initial public offering of our ADSs, and no public market has previously existed for our ADSs or ordinary shares. There can be no assurance that an active trading market for the ADSs will develop or be sustained after this offering is completed and we do not intend to separately list our ordinary shares for trading on any exchange. The lack of an active trading market may also reduce the fair market value of the ADSs. To the extent certain of our existing shareholders and their affiliated entities participate in this offering, such purchases would reduce the non-affiliated public float of our shares, meaning the number of shares of our common stock that are not held by officers, directors and controlling shareholders. A reduction in the public float could reduce the number of shares that are available to be traded at any given time, thereby adversely impacting the liquidity of our common stock and depressing the price at which you may be able to sell your ADSs purchased in this offering. The initial offering price will be determined by negotiations among the lead underwriters and us. Among the factors considered in determining the initial public offering price will be our future prospects and the prospects of our industry in general, existing preclinical and clinical data with respect to our product candidates and platform technology, our financial and operating results from recent periods, and the market prices of securities and certain financial and operating information of

companies engaged in activities similar to ours. However, there can be no assurance that, following the completion of this offering, the ADSs will trade at a price equal to or greater than the initial public offering price.

The price of our ADSs may be volatile, and you could lose all or part of your investment.

The trading price of our ADSs following this offering is likely to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control, including limited trading volume. In addition to the factors discussed in this "Risk Factors" section and elsewhere in this prospectus, these factors include:

- the commencement, enrollment or results of our ongoing and planned preclinical studies and clinical trials, or any future preclinical studies or clinical trials, we may conduct of our current and any future product candidates, or changes in the development status of our current and any future product candidates;
- any delay in preparing regulatory submissions to support development or commercialization of our current and any future product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such submissions, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- adverse results or delays in our preclinical studies and clinical trials;
- our decision to initiate a clinical trial, not to initiate a clinical trial, or to terminate an existing clinical trial;
- adverse regulatory decisions, including failure to receive marketing approval for our current and any future product candidates;
- changes in laws or regulations applicable to our current and any future product candidates, including but not limited to clinical trial requirements for approvals;
- the failure to obtain coverage and adequate reimbursement of our current and any future product candidates, if approved;
- changes on the structure of healthcare payment systems;
- any changes to our relationship with any manufacturers, suppliers, licensors, future collaborators or other strategic partners;
- our inability to obtain adequate product supply for any approved drug product or inability to do so at acceptable prices;
- our inability to establish collaborations if needed;
- our failure to commercialize our current and any future product candidates;
- additions or departures of key scientific or management personnel;
- unanticipated serious safety concerns related to the use of our current and any future product candidates;
- introduction of new products or services offered by us or our competitors, or the release or publication of clinical trial results from competing product candidates;
- announcements of significant acquisitions, strategic partnerships, joint ventures, or capital commitments by us or our competitors;
- our ability to effectively manage our growth;
- actual or anticipated variations in quarterly operating results;
- our cash position;
- our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public;
- publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in the market valuations of similar companies;

- overall performance of the equity markets;
- issuances of debt or equity securities;
- sales of our ADSs by us or our shareholders in the future, or the perception that such sales may occur;
- trading volume of our ADSs;
- changes in accounting practices;
- ineffectiveness of our internal controls;
- disputes or other developments relating to proprietary rights, including patents, litigation matters, and our ability to obtain patent protection for our technologies;
- significant lawsuits, including patent or shareholder litigation;
- general political and economic conditions, including the COVID-19 pandemic; and
- other events or factors, many of which are beyond our control.

In addition, the stock market in general, and biopharmaceutical companies in particular, 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. If the market price of our ADSs after this offering does not exceed the initial public offering price, you may not realize any return on your investment and may lose some or all of your investment. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm our business, operating results or financial condition.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in the section titled "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. Our management might not apply our net proceeds in ways that ultimately increase the value of your investment. The failure by our management to apply these funds effectively could harm our business. We intend to invest the net proceeds to us from the offering that are not used as described above in short term, investment grade, interest-bearing securities such as money market funds, certificates of deposit, corporate bonds and commercial paper, and obligations of the U.S. government. These investments may not yield a favorable return to our shareholders. If we do not invest or apply the net proceeds from this offering in ways that enhance shareholder value, we may fail to achieve expected financial results, which could cause the price of our ADSs to decline.

Although the audit report included in this prospectus is prepared by auditors who are currently subject to inspection by the PCAOB, there is no guarantee that future audit reports will be prepared by auditors that are subject to inspection by the PCAOB and, as such, future investors may be deprived of such inspections, which could result in limitations or restrictions to our access of the U.S. capital markets. Furthermore, trading in our securities may be prohibited under the Holding Foreign Companies Accountable Act or the Accelerating Holding Foreign Companies Accountable Act if the SEC subsequently identifies that our audit work is performed by an auditor that the PCAOB is unable to inspect or investigate completely, and as a result, U.S. national securities exchanges, such as the Nasdaq, may delist our securities.

As part of a continued regulatory focus in the United States on access to audit and other information, the United States passed the Holding Foreign Companies Accountable Act, or the HFCA Act, in December 2020. The HFCA Act requires the SEC to identify issuers whose audit work is performed by auditors that the PCAOB is unable to inspect or investigate completely because of a restriction imposed by a non-U.S. authority in the auditor's local jurisdiction. The HFCA Act also requires public companies identified by the SEC to certify that they are neither owned nor controlled by a foreign government, and make certain additional disclosures in their SEC filings.

The HFCA Act also provides that if an auditor of a U.S. listed company's financial statements is not subject for three consecutive "non-inspection years" after the HFCA Act becomes effective, the SEC must prohibit the securities of such issuer from being traded on a U.S. national securities exchange. However, in June 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, or AHFCA Act, which, if enacted, would amend the HFCA Act and require the SEC to prohibit an issuer's securities from trading on any U.S. stock exchanges if its auditor is subject to two "non-inspection years" instead of three. On February 4, 2022, the U.S. House of Representatives passed the America Creating Opportunities for Manufacturing, Pre-Eminence in Technology, and Economic Strength Act of 2022, which contained, among other things, an identical provision. In December 2021, the PCAOB issued a report on its determination that it is unable to inspect or investigate completely PCAOB-registered accounting firms headquartered in Mainland China and in Hong Kong. Also, in December 2021, the SEC adopted final amendments to its rules implementing the HFCA Act and established procedures to identify issuers and prohibit the trading of the securities of certain registrants as required by the HFCA Act. This rule stated that only the principal accountant, as defined by Rule 2-05 of Regulation S-X and PCAOB AS 1205, is "deemed 'retained' for purposes of Section 104(i) of the Sarbanes-Oxley Act and the Commission's determination of where the registration statement should be a Commission Identified Issuer." It is possible that in the future Congress could amend the HFCA Act or the SEC could modify its regulations to apply the restrictions, including trading prohibitions and delisting, under the HFCA Act in situations in which an independent registered public accounting firm in China performs part of an audit.

We have retained PricewaterhouseCoopers LLP as our independent registered public accounting firm. PricewaterhouseCoopers LLP is headquartered in the United States, is registered with the PCAOB and is an auditor of companies that are both registered with the SEC and publicly traded in the United States. As a result, the HFCA Act does not currently apply to us. However, if our operations fundamentally change in a way that requires our independent registered public accounting firm to be located in China in order to comply with the standards of the PCAOB regarding auditors then the HFCA Act would apply to us. Such a restriction would negatively impact our ability to raise capital. We view the likelihood to be remote that our operations will fundamentally change, as to require our auditor to be located in China. Additionally, it is possible that in the future Congress could amend the HFCA Act or the SEC could modify its regulations to apply the restrictions, including trading prohibitions and delisting, under the HFCA Act in situations in which an independent registered public accounting firm in China performs part of the audit such as in our current situation. There are currently no such proposals.

Further, while we understand that there has been dialogue among the CSRC, the SEC and the PCAOB regarding the inspection of PCAOB-registered accounting firms in China, there can be no assurance that, in the future, we will be able to comply with requirements imposed by U.S. regulators. The market price of our ADSs could be adversely affected as a result of anticipated negative impacts of these executive or legislative actions upon, as well as negative investor sentiment towards, companies with operations in China that are listed in the United States, regardless of whether these executive or legislative actions are implemented and regardless of our actual operating performance.

We have identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future or fail to maintain effective internal control over financial reporting, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations.

We have identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. These material weaknesses are as follows:

We did not design and maintain an effective control environment commensurate with our financial reporting requirements as we lacked a sufficient complement of professionals commensurate with our financial reporting requirements. Additionally, the lack of a sufficient number of professionals resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of our financial reporting objectives, as demonstrated by, amongst other things, insufficient segregation of duties in our finance and accounting functions. This material weakness contributed to the following additional material weaknesses:

We did not design and maintain effective controls to ensure adequate segregation of duties within our financial reporting function, including controls related to the procurement and payroll processes, journal entries and account reconciliations. Specifically, certain personnel have incompatible duties including the ability to (i) generate and approve invoices and authorize disbursements; (ii) add employees or modify employee data in the payroll system and authorize payments; (iii) create and post manual journal entries without an independent review; and (iv) prepare and review account reconciliations.

We did not design and maintain effective controls over certain information technology, or IT, general controls for information systems that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain (i) program change management controls to ensure that program and data changes are identified, tested, authorized and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to appropriate personnel; and (iii) computer operations controls to ensure that processing of data and data backups and recovery are monitored.

These material weaknesses did not result in any misstatements to the consolidated financial statements. However, these material weaknesses could result in a misstatement of substantially all of our accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

We have taken and will continue to take certain measures to remediate the material weaknesses described above, including the following:

- Hiring additional accounting and IT personnel, including but not limited to, a senior director of SEC reporting and technical reporting, director of finance and financial planning and analysis and director of information security as well as appointing our existing chief operating officer as our chief financial officer to bolster our reporting, accounting and IT capabilities;
- Engaging a third party to assist in designing and implementing controls related to segregation of duties and IT general controls;
- Designing and implementing controls to formalize roles and review responsibilities to align with our team's skills and experience and designing and implementing controls over segregation of duties.
- Designing and implementing controls over the preparation and review of account reconciliations and journal entries supporting our period-end financial reporting process; and
- Designing and implementing IT general controls, including controls over change management, the review and update of user access rights and privileges, controls over processing of data and data backups and recovery.

We have begun to hire additional accounting and IT personnel, including but not limited to, a senior director of SEC reporting and technical reporting, director of finance and financial planning and analysis, and director of information security. We have also appointed our existing chief operating officer as our chief financial officer. We engaged third-party resources to assist us in designing and implementing controls related to period-end financial reporting, segregation of duties and IT general controls, and we have begun to implement appropriate segregation of duties in the operation of manual controls. The material weaknesses will not be considered remediated until management completes the design and implementation of the measures described above and the controls operate for a sufficient period of time and management has concluded, through testing, that these controls are effective.

We are working to remediate the material weaknesses as efficiently and effectively as possible and full remediation may go beyond December 31, 2022. At this time, we cannot provide an estimate of costs expected to be incurred in connection with implementing this remediation plan; however, these remediation measures will be time consuming, will result in us incurring significant costs, and will place significant demands on our financial and operational resources.

Although we have begun to implement measures to address the material weaknesses, the implementation of these measures may not fully address the material weaknesses and deficiencies in our internal control over financial reporting. Further, in the future we may determine that we have additional material weaknesses. Our failure to remediate the material weaknesses or failure to identify and address any other material weaknesses

could result in material misstatements to our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis, which could cause investors to lose confidence in our reported financial information, which may result in volatility in and a decline in the market price of our securities.

If you purchase our ADSs in this offering, you will incur immediate and substantial dilution in the book value of your shares.

If you purchase our ADSs in this offering, 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 ADS is substantially in excess of the book value per share attributable to our existing shareholders. Therefore, based on an assumed initial public offering price of \$14.00 per ADS, which is the midpoint of the price range set forth on the cover page of this prospectus, you will experience immediate dilution of \$8.04 per ADS, representing the difference between our pro forma as adjusted net tangible book value per ADS after this offering and the initial public offering price per ADS. After this offering, we will also have outstanding options to purchase ordinary shares with exercise prices lower than the initial public offering price (based on the ratio of ADSs to ordinary shares). To the extent these outstanding options are exercised, there will be further dilution to investors in this offering. For further information regarding the dilution resulting from this offering, see the section titled "Dilution".

Our principal shareholders and management own a significant percentage of our voting securities and will be able to exert significant control over matters subject to shareholder approval.

As of December 31, 2022, our executive officers, directors, five percent shareholders and their affiliates beneficially owned approximately 73.07% of the voting power of our outstanding share capital, and, upon the closing of this offering, that same group will hold approximately 54.77% of the voting power of our outstanding share capital (assuming no exercise of the underwriters' option to purchase additional ADSs and no purchases of ADSs pursuant to the contemplated directed share program or otherwise by any of this group). Therefore, even after this offering, these shareholders will have the ability to influence us through their ownership positions. These shareholders may be able to determine all matters requiring shareholder approval. For example, these shareholders, acting together, may be able to control elections of directors, issuances of equity, including to our employees under equity incentive plans, amendments of our organizational documents, or approval of any merger, amalgamation, sale of assets or other major corporate transaction. These shareholders' interests may not always coincide with our corporate interests or the interests of other shareholders, and these shareholders may exercise their voting and other rights in a manner with which you may not agree or that may not be in the best interests of our other shareholders. This may prevent or discourage unsolicited acquisition proposals or offers for our ADSs that you may believe are in your best interest as a holder of our ADSs.

A significant portion of our total outstanding shares are restricted from immediate resale, but may be sold into the market in the near future. This could cause the market price of our ADSs to drop significantly, even if our business is doing well.

Sales of a substantial number of our ADSs in the public market could occur at any time. If our shareholders sell, or the market perceives that our shareholders intend to sell, substantial amounts of our ADSs in the public market following this offering, the market price of our ADSs could decline significantly.

Upon completion of this offering, we will have 104,394,741 ordinary shares outstanding, including ordinary shares represented by ADSs, based on the number of shares outstanding as of September 30, 2022. The ADSs sold in this offering will be freely tradable immediately. The remaining ordinary shares will be available for sale in the public market beginning 180 days after the date of this prospectus following the expiration of lock-up agreements entered into by substantially all of our shareholders in connection with the offering. Jefferies LLC and SVB Securities LLC may agree to release these shareholders from their lock-up agreements at any time and without notice, which would allow for earlier sales of ordinary shares (through ADSs) in the public market. Sales of a substantial number of such shares upon expiration of the lock-up agreements, the perception that such sales may occur, or early release of restrictions in the lock-up agreements, could cause the market price of our ADSs to fall or make it more difficult for you to sell your ADSs at a time and price that you deem appropriate.

In addition, promptly following the completion of this offering, we intend to file one or more registration statements registering the issuance of approximately 22,099,376 ordinary shares (which may be in the form of ADSs) subject to options or other equity awards issued or reserved for future issuance under our equity incentive plans. Shares (or ADSs) registered under these registration statements will be available for sale in the public market subject to vesting arrangements and exercise of options, the lock-up agreements described above and, in the case of our affiliates, the restrictions of Rule 144 under the Securities Act.

Additionally, after this offering, the holders of an aggregate of 67,018,087 of our ordinary shares, or their transferees, will have rights, subject to some conditions, to require us to file one or more registration statements covering their shares (or ADSs representing such shares) or to include their shares (or ADSs representing such shares) in registration statements that we may file for ourselves or other shareholders. If we were to register the resale of these shares or ADSs, they could be freely sold in the public market. If these additional shares or ADSs are sold, or if it is perceived that they will be sold, in the public market, the trading price of our ADSs could decline.

Holders of our ADSs have fewer rights than our shareholders and must act through the depositary to exercise their rights.

Holders of our ADSs do not have the same rights as our shareholders and may only exercise their voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Holders of the ADSs will appoint the depositary or its nominee as their representative to exercise the voting rights attaching to the ordinary shares represented by the ADSs. When a general meeting is convened, if you hold ADSs, you may not receive sufficient notice of a shareholders' meeting to permit you to withdraw the ordinary shares underlying your ADSs to allow you to vote with respect to any specific matter. We will take all commercially reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you 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. Furthermore, the depositary will not be liable for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if your ADSs are not voted as you request. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders' meeting.

ADS 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 holders and beneficial owners of ADSs irrevocably waive the right to a trial by jury in any legal proceeding arising out of or relating to the deposit agreement, our ordinary shares or the ADSs or the transactions contemplated thereby, including claims under federal securities laws, against us or the depositary to the fullest extent permitted by applicable law. If this jury trial waiver provision is prohibited by applicable law, an action could nevertheless proceed under the terms of the deposit agreement with a jury trial. To our knowledge, the enforceability of a jury trial waiver under the federal securities laws has not been finally adjudicated by a federal court. However, we believe that a jury trial waiver provision is generally enforceable under the laws of the State of New York, which govern the deposit agreement, by a court of the State of New York or a federal court in New York, which have non-exclusive jurisdiction over matters arising under the deposit agreement, applying such law. In determining whether to enforce a jury trial waiver provision, New York courts and federal courts will consider whether the visibility of the jury trial waiver provision within the agreement is sufficiently prominent such that a party has knowingly waived any right to trial by jury. We believe that this is the case with respect to the deposit agreement, our ordinary shares and the ADSs and the transactions contemplated thereby. In addition, New York courts will not enforce a jury trial waiver provision in order to bar a viable setoff or counterclaim sounding in fraud or one which is based on a creditor's negligence in failing to liquidate collateral upon a guarantor's demand, or in the case of an intentional tort claim (as opposed to a contract dispute), none of which we believe are applicable in the case of the deposit agreement, our ordinary shares or the ADSs or the transactions contemplated thereby. 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 provision of the federal securities laws. If you or any other holder or beneficial owner of ADSs brings a claim against us or the depositary in connection with matters arising under the deposit agreement, our ordinary shares or the

ADSs or the transactions contemplated thereby, 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 depository. If a lawsuit is brought against us and/or the depository under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may augur different results than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

You may not receive distributions on our ordinary shares represented by the ADSs or any value for them if it is illegal or impractical to make them available to holders of ADSs.

Although we do not have any present plans to declare or pay any dividends on our ordinary shares after this offering, in the event we declare and pay any dividends, the depository for the 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 our ordinary shares your ADSs represent. However, in accordance with the limitations set forth in the deposit agreement, it may be unlawful or impractical to make a distribution available to holders of ADSs. We have no obligation to register under U.S. securities laws any offering of ADSs, ordinary shares or other securities received through such distributions. We also have no obligation to take any other action to permit distribution on the ADSs, ordinary shares, rights or anything else to holders of the ADSs. This means that you may not receive the distributions we make on our ordinary shares or any value from them if it is unlawful or impractical to make them available to you. These restrictions may have an adverse effect on the value of your ADSs.

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 the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Also, under the deposit agreement, the depository bank will not make rights available to you unless the rights and any related securities are registered under the Securities Act or are otherwise exempted 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. Moreover, we may not be able to establish an exemption from registration under the Securities Act. If the depository does not distribute the rights, it may, under the deposit agreement, either sell them, if possible, or allow them to lapse. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

Because we do not anticipate paying any cash dividends on our ADSs in the foreseeable future, capital appreciation, if any, will be your sole source of gains and you may never receive a return on your investment.

We have never declared or paid a dividend on our ordinary shares in the past, and we currently intend to retain our future earnings, if any, to fund the development and growth of our business. Therefore, you should not rely on an investment in our ADSs to provide dividend income. Our board of directors has complete discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, including that our company may only pay dividends out of profits or out of the credit standing in our share premium account, and provided always that in no circumstances may a dividend be paid if it would result in our inability to pay our debts as they fall due in the ordinary course of business. In addition, our shareholders may, subject to our memorandum and articles of association, by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. 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, among other things, 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. As a result, capital appreciation, if any, on our ADSs will be your sole source of gains for the foreseeable future. Investors seeking cash dividends should not purchase our ADSs in this offering.

We are subject to tax in the Cayman Islands and the United States.

We are and will continue to be a Cayman Islands corporation as of the date of this prospectus. We are treated as an exempted company for Cayman Islands tax purposes. We are also treated as a U.S. corporation subject to U.S. federal income tax pursuant to Section 7874 of the Internal Revenue Code of 1986, as amended, or the Code, and are subject to U.S. federal income tax on our worldwide income. As a result, we are subject to tax both in the Cayman Islands and the United States, which could have a material adverse effect on our financial condition and results of operations.

It is unlikely that we will pay any dividends on our ordinary shares or ADSs in the foreseeable future. However, dividends received by "non-U.S. holders" (as defined in the section titled "Material U.S. Federal Income Tax Consequences") will be subject to U.S. withholding tax. In addition, because the ordinary shares or ADSs are treated as shares of a U.S. domestic corporation, the U.S. gift, estate and generation-skipping transfer tax rules generally apply to a non-U.S. holder of ordinary shares or ADSs.

Each holder or prospective holder of our ordinary shares or ADSs should seek tax advice from an independent tax advisor based on such holder's particular circumstances.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

As of December 31, 2021, we had \$51.5 million of U.S. federal net operating losses, or NOLs, and \$43.4 million of state NOLs. U.S. federal NOL carryforwards totaling \$51.5 million can be carried forward indefinitely under current law. State NOL carryforwards totaling \$43.4 million will begin to expire in 2037, unless previously utilized. As of December 31, 2021, we also had aggregate U.S. federal and state research and development, or R&D, credits of approximately \$0.3 million and \$0.1 million, respectively. U.S. federal R&D credits carryforwards begin to expire in 2029 unless previously utilized. The state R&D credit carryforwards do not expire. Our NOL carryforwards and R&D credits are subject to review and possible adjustment by the U.S. and state tax authorities.

In addition, under Sections 382 and 383 of the Code, and corresponding provisions of state law, if a corporation undergoes an "ownership change," which is generally defined as a greater than 50 percentage point change (by value) in its equity ownership over a three-year period, the corporation's ability to use its pre-change NOL carryforwards, R&D credits and certain other tax attributes to offset its post-change income or taxes may be limited. This could limit the amount of NOLs, R&D credit carryforwards or other applicable tax attributes that we can utilize annually to offset future taxable income or tax liabilities. Subsequent ownership changes and changes to the U.S. tax rules in respect of the utilization of NOLs, R&D credits and other applicable tax attributes carried forward may further affect the limitation in future years. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. As a result, we may be unable to use all or a material portion of our NOL carryforwards and other tax attributes, which could adversely affect our future cash flows. We have not undertaken a study under Section 382 of the Code, and it is possible that we have previously undergone one or more ownership changes so that our use of NOLs is subject to limitation. We may experience ownership changes in the future as a result of subsequent shifts in our share ownership, including as a result of this offering. As a result, if we earn net taxable income, our ability to use our pre-change NOLs to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

We will incur significantly increased costs as a result of operating as a company whose ADSs are publicly traded in the United States, and our management will be required to devote substantial time to new compliance initiatives.

As a public company in the United States, we will incur significant legal, accounting and other expenses that we did not incur previously. These expenses will likely be even more significant after we no longer qualify as an emerging growth company and/or a smaller reporting company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, the listing requirements of Nasdaq and other applicable securities rules and regulations impose various requirements on public companies in the United States, including the establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our senior management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal

and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified senior management personnel or members for our board of directors.

However, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to Section 404 of the Sarbanes-Oxley Act, beginning with our annual report on Form 10-K for the fiscal year ended December 31, 2023, we will be required to furnish a report by our senior management on our internal control over financial reporting. However, while we remain an emerging growth company or a smaller reporting company with less than \$100 million in annual revenues, we will not be required to include an attestation report on internal controls over financial reporting issued by our independent registered public accounting firm. To prepare for eventual compliance with Section 404, we will be engaged in a process to document and evaluate our internal controls over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal controls over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal controls over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed time frame or at all, that our internal controls over financial reporting is effective as required by Section 404.

We are an emerging growth company and a smaller reporting company, and the reduced reporting requirements applicable to emerging growth companies and smaller reporting companies may make our ADSs less attractive to investors.

We are an “emerging growth company”, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of certain exemptions from various public company reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm under Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We may take advantage of these exemptions until the last day of the fiscal year ending after the fifth anniversary of this offering or until we are no longer an emerging growth company, whichever is earlier. We will cease to be an emerging growth company prior to the end of such five-year period if certain earlier events occur, including if we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, our annual gross revenues equal or exceed \$1.235 billion or we issue more than \$1.0 billion of non-convertible debt in any three-year period prior to such time. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation related information that would be required if we were not an emerging growth company, and we may elect to take advantage of other reduced reporting requirements in future filings. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with certain new or revised accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards, and therefore we will not be subject to the same requirements to adopt new or revised accounting standards as other public companies that are not emerging growth companies.

We are also a “smaller reporting company” as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our ADSs held by non-affiliates is less than \$250.0 million measured

on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and our ADSs held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

Since shareholder rights under Cayman Islands law differ from those under U.S. law, you may have difficulty protecting your shareholder rights.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act (as amended) of the Cayman Islands 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 responsibilities 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 responsibilities 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, other than the memorandum and articles of association and any special resolutions passed by such companies, and the registers of mortgages and charges of such companies. The Registrar of Companies of the Cayman Islands shall make available the list of the names of the current directors of the Company (and where applicable the current alternate directors of the Company) for inspection by any person upon payment of a fee by such person. Our directors have discretion under our post-offering memorandum and articles of association 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.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. Currently, we do not plan to rely on home country practice with respect to any corporate governance matter. However, if we choose to follow home country practice in the future, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of our board of directors or our 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 Act of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see the sections titled "Enforcement of Civil Liabilities" and "Description of Share Capital—Differences in Corporate Law."

Provisions in our amended and restated memorandum and articles of association to be effective in connection with the closing of this offering may prevent or frustrate attempts by our shareholders to change our management and hinder efforts to acquire a controlling interest in us, and the market price of our ADSs may be lower as a result.

There are provisions in our amended and restated memorandum and articles of association to be effective in connection with the closing of this offering that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change of control was considered favorable by you and other shareholders. For example, our board of directors will have the authority to issue up to 100,000,000 shares of an additional class or classes of shares, which could include preference shares. The board of directors can fix the price, rights, preferences, privileges, and restrictions of the other classes of shares without any further vote or action by our shareholders. The issuance of such shares may delay or prevent a change of control

transaction. As a result, the market price of our ADSs and the voting and other rights of our shareholders may be adversely affected. An issuance of other classes of shares may result in the loss of voting control to other shareholders.

Our charter documents will also contain other provisions that could have an anti-takeover effect, including:

- only one of our three classes of directors will be elected each year;
- shareholders will be entitled to remove directors only for cause;
- shareholders will not be permitted to take actions by written consent; and
- shareholders must give advance notice to nominate directors or submit proposals for consideration at annual general meetings.

These provisions could discourage potential acquisition proposals and could delay or prevent a change of control transaction. They could also have the effect of discouraging others from making tender offers, including transactions that may be in your best interests. These provisions may also prevent changes in our management or limit the price that investors are willing to pay for our ADSs.

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

Your ADSs are transferable on the books of the depository. However, the depository may close its transfer books at any time or from time to time when deemed necessary or advisable by it in good faith in connection with the performance of its duties or at our reasonable written request, subject in all cases to compliance with applicable U.S. securities laws. In addition, the depository may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository 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.

General Risk Factors

We will incur significantly increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives.

As a public company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company. We will be subject to the reporting requirements of the Exchange Act, which will require, among other things, that we file with the SEC annual, quarterly, and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and Nasdaq to implement provisions of the Sarbanes-Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, in July 2010, the Dodd-Frank Act was enacted and included significant corporate governance and executive compensation related provisions that require the SEC to adopt additional rules and regulations in these areas, such as “say on pay” and proxy access. Emerging growth companies and smaller reporting companies are exempted from certain of these requirements, but we may be required to implement these requirements sooner than budgeted or planned and thereby incur unexpected expenses. Shareholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

We expect the rules and regulations applicable to public companies to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition, and results of operations. The increased costs will decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business or increase the prices of our products or services. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

Failure to build our finance infrastructure and improve our accounting systems and controls could impair our ability to comply with the financial reporting and internal controls requirements for publicly traded companies.

As a public company, we will operate in an increasingly demanding regulatory environment, which requires us to comply with the Sarbanes-Oxley Act, the regulations of Nasdaq, the rules and regulations of the SEC, expanded disclosure requirements, accelerated reporting requirements and more complex accounting rules. Company responsibilities required by the Sarbanes-Oxley Act include establishing corporate oversight and adequate internal control over financial reporting and disclosure controls and procedures. Effective internal controls are necessary for us to produce reliable financial reports and are important to help prevent financial fraud. Commencing with our fiscal year ending December 31, 2023, we must perform system and process evaluation and testing of our internal controls over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting in our annual report for that year, as required by Section 404 of the Sarbanes-Oxley Act. Prior to this offering, we have never been required to test our internal controls within a specified period and, as a result, we may experience difficulty in meeting these reporting requirements in a timely manner.

We anticipate that the process of building our accounting and financial functions and infrastructure will require significant additional professional fees, internal costs and management efforts. We expect that we will need to implement a new internal system to combine and streamline the management of our financial, accounting, human resources and other functions. However, such a system would likely require us to complete many processes and procedures for the effective use of the system or to run our business using the system, which may result in substantial costs. Any disruptions or difficulties in implementing or using such a system could adversely affect our controls and harm our business. Moreover, such disruption or difficulties could result in unanticipated costs and diversion of management attention. In addition, we may discover weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our financial statements. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If we cannot provide reliable financial reports or prevent fraud, our business and results of operations could be harmed, investors could lose confidence in our reported financial information, the market price of our ADSs could decline and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

If we are unable to maintain effective internal controls, our business, financial position and results of operations could be adversely affected.

As a public company, beginning with our annual report on Form 10-K for the fiscal year ending December 31, 2023, we will be subject to the requirements of Section 404 of the Sarbanes-Oxley Act, which require annual management assessments of the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to determine that our internal control over financial reporting is effective are complex and require significant documentation, testing and possible remediation to meet the detailed standards under the rules. During the course of its testing, our management may identify material weaknesses or deficiencies which may not be remedied in time to meet the deadline imposed by the Sarbanes-Oxley Act. These reporting and other obligations place significant demands on our management and administrative and operational resources, including accounting resources.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Any failure to maintain effective internal controls could have an adverse effect on our business, financial position and results of operations.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

Upon the completion of this offering, we will become subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to reasonably ensure that information we must disclose in reports we file or submit pursuant to the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures, or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make any related party transaction disclosures. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Future changes in financial accounting standards or practices may cause adverse and unexpected revenue fluctuations and adversely affect our reported results of operations.

Future changes in financial accounting standards may cause adverse, unexpected revenue fluctuations and affect our reported financial position or results of operations. Financial accounting standards in the United States are constantly under review and new pronouncements and varying interpretations of pronouncements have occurred with frequency in the past and are expected to occur again in the future. As a result, we may be required to make changes in our accounting policies. Those changes could affect our financial condition and results of operations or the way in which such financial condition and results of operations are reported. We intend to invest resources to comply with evolving standards, and this investment may result in increased general and administrative expenses and a diversion of management time and attention from business activities to compliance activities. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Accounting Pronouncements."

If equity research analysts do not publish research or reports, or publish unfavorable research or reports, about us, our business or our market, the price and trading volume of our ADSs could decline.

The trading market for our ADSs will be influenced by the research and reports that equity research analysts publish about us and our business. We do not currently have and may never obtain research coverage by equity research analysts. Equity research analysts may elect not to provide research coverage of our ADSs after the completion of this offering, and such lack of research coverage may adversely affect the market price of our ADSs. In the event we do have equity research analyst coverage, we will not have any control over the analysts or the content and opinions included in their reports. The price of our ADSs could decline if one or more equity research analysts downgrade our ADSs or issue other unfavorable commentary or research about us. If one or more equity research analysts cease coverage of us or fail to publish reports on us regularly, demand for our ADSs could decrease, which in turn could cause the trading price or trading volume of our ADSs to decline.

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because pharmaceutical companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

We or the third parties upon whom we depend may be adversely affected by earthquakes, fires or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our headquarters and main research facility are located near San Francisco, California, which in the past has experienced severe earthquakes and fires. If these earthquakes, fires, other natural disasters, terrorism and similar unforeseen events beyond our control prevented us from using all or a significant portion of our headquarters or research facility, it may be difficult or, in certain cases, impossible for us to continue our

business for a substantial period of time. We do not have a disaster recovery or business continuity plan in place and may incur substantial expenses as a result of the absence or limited nature of our internal or third-party service provider disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business. Furthermore, integral parties in our supply chain are operating from single sites, increasing their vulnerability to natural disasters or other sudden, unforeseen and severe adverse events. If such an event were to affect our supply chain, it could have a material adverse effect on our ability to conduct our clinical trials, our development plans and business.

If we 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 the third parties with whom we share our facilities, 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. Each of our operations involve the use of hazardous and flammable materials, including chemicals and biological and radioactive materials. Each of 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. We could be held liable for any resulting damages in the event of contamination or injury resulting from the use of hazardous materials by us or the third parties with whom we share our facilities, 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 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 or disposal of biological, hazardous or radioactive materials.

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

Our failure to meet Nasdaq's continued listing requirements could result in a delisting of our ADSs.

If, after listing, we fail to satisfy the continued listing requirements of Nasdaq, such as the corporate governance requirements or the minimum closing bid price requirement, Nasdaq may take steps to delist our ADSs. Such a delisting would likely have a negative effect on the price of our ADSs and would impair your ability to sell or purchase our ADSs when you wish to do so. In the event of a delisting, any action taken by us to restore compliance with listing requirements may not allow our ADSs to become listed again, stabilize the market price or improve the liquidity of our ADSs, prevent our ADSs from dropping below the Nasdaq minimum bid price requirement or prevent future non-compliance with the listing requirements of Nasdaq.

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 titled "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 in the section titled "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 "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "design," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "positioned," "potential," "predict," "seek," "should," "target," "will," "would" 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, progress and results of preclinical studies and clinical trials for our product candidates, including our product development plans and strategies;
- the timing, scope and likelihood of regulatory filings and approvals, including final regulatory approval of our product candidates;
- the potential benefits and market opportunity for our product candidates and discovery platform;
- expectations regarding the size, scope and design of clinical trials;
- our plans and strategy with respect to our drug discovery efforts and potential benefits of our discovery platform;
- our manufacturing, commercialization, and marketing plans and strategies;
- our plans to hire additional personnel and our ability to attract and retain such personnel;
- our estimates of the number of patients who suffer from the diseases we are targeting and potential growth in our target markets;
- our expectations regarding the approval and use of our product candidates;
- our competitive position and the development and impact of competing therapies that are or may become available;
- expectations regarding future events under collaboration and licensing agreements, including potential future payments, as well as our plans and strategies for entering into further collaboration and licensing agreements;
- our intellectual property position, including the scope of protection we are able to establish and maintain for intellectual property rights covering product candidates we may develop, including the extensions of existing patent terms where available, the validity of intellectual property rights held by third parties, and our ability not to infringe, misappropriate or otherwise violate any third-party intellectual property rights;
- the rate and degree of market acceptance and clinical utility of product candidates we may develop;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our future financial performance;
- the period over which we estimate our existing cash, cash equivalents and short-term investments will be sufficient to fund our future operating expenses and capital expenditure requirements;
- the impact of laws and regulations;
- the impact of the COVID-19 pandemic and actions to slow its spread; and
- our anticipated use of the net proceeds from this offering.

You should not rely on forward-looking statements as predictions of future events. 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 the sections titled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," 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.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this prospectus. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these 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.

MARKET AND INDUSTRY DATA

This prospectus contains estimates, projections and other information concerning our industry, our business and the markets for our product candidates, including data regarding the estimated size of such markets and the incidence of certain medical conditions. Unless otherwise expressly stated, we obtained the industry, market and similar data set forth in this prospectus from our internal estimates and research and from academic and industry research, publications, surveys and studies conducted by third parties, including governmental agencies. In some cases, we do not expressly refer to the sources from which this data is derived. In that regard, when we refer to one or more sources of this type of information in any paragraph, you should assume that other information of this type appearing in the same paragraph is derived from the same sources, unless otherwise expressly stated or the context otherwise requires.

Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and involves a number of assumptions and limitations; as a result, actual events or circumstances may differ materially from events and circumstances that are assumed in this information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors." Although we are responsible for all of the disclosure contained in this prospectus and we believe that the data we use from third parties are reliable, we have not separately verified this data. Further, while we believe that our internal research is reliable, such research has not been verified by any third party. You are cautioned not to give undue weight to any such information, projections and estimates.

USE OF PROCEEDS

We estimate that the net proceeds to us from our issuance and sale of 8,950,000 ADSs in this offering will be approximately \$111.5 million (or approximately \$129.0 million if the underwriters exercise in full their option to purchase additional ADSs), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. This estimate assumes an initial public offering price of \$14.00 per ADS (the midpoint of the estimated price range set forth on the cover of this prospectus).

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$14.00 per ADS (the midpoint of the estimated price range set forth on the cover page of this prospectus) would increase (decrease) the net proceeds to us from this offering by approximately \$8.3 million, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us. Each increase (decrease) of 1,000,000 ADSs in the number of ADSs offered by us, assuming no change in the assumed initial public offering price of \$14.00 per ADS, would increase (decrease) our net proceeds from this offering by approximately \$13.0 million.

The principal purposes of this offering are to obtain additional capital to support our operations, to create a public market for our ordinary shares and to facilitate our future access to the public equity markets.

We intend to use the net proceeds of this offering, together with our existing cash, cash equivalents and short-term investments, as follows:

- approximately \$90.0 million to advance the development of our GLP-1R franchise, including the completion of a Phase 1b MAD study and Phase 2a proof-of-concept study, and next generation GLP-1R candidates including dual GLP-1R/GIPR agonists;
- approximately \$13.0 million to advance the development of our (i) APJR agonist program, including through the initiation of a Phase 1 formulation bridging PK study as well as additional preclinical development studies in IPF and PAH, and (ii) LPA1R antagonist program, including preclinical development and initiation of our first-in-human study in IPF; and
- the remaining proceeds to fund other research and development activities and general corporate purposes, which we expect will include the hiring of additional personnel, capital expenditures and the costs of operating as a public company.

Based on our current business plan, we estimate that our existing cash, cash equivalents and short-term investments as of the date of this prospectus, together with the estimated net proceeds from this offering, will be sufficient to fund our projected operations through at least 2025.

The expected use of net proceeds from this offering represents our intentions based on our current plans and business conditions, which we could change in our discretion in the future as our plans and business conditions evolve. Due to the many variables inherent to the development of our product candidates at this time, such as the timing of patient enrollment and evolving regulatory requirements, we cannot currently predict the stage of development we expect to achieve for our product candidates with the net proceeds of this offering. The amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of our development, such as any collaborations or licensing agreements we may enter into with third parties for any additional product candidates or technologies we may in-license, the status of and results from the preclinical studies and clinical trials of our product candidates, and our operating costs and expenditures. As a result, our management will have broad discretion over the use of the net proceeds from this offering and may change the allocation of use of these proceeds among the uses described above. An investor will not have the opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use the proceeds.

The expected net proceeds of this offering will not be sufficient for us to fund all our product candidates through regulatory approval, and we will need to raise substantial additional capital to complete the development and commercialization of our product candidates.

Pending the uses described above, we intend to invest the net proceeds from this offering in short term, investment-grade, interest-bearing securities such as money market funds, certificates of deposit, corporate bonds and commercial paper, and obligations of the U.S. government, including guaranteed obligations of the U.S. government, including treasuries and government-sponsored enterprises.

DIVIDEND POLICY

We have never declared or paid dividends on our ordinary shares. We currently expect to retain all future earnings for use in the operation and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. The declaration, amount and payment of any dividends in the future will be determined by our board of directors, in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual, legal, tax and regulatory restrictions. If we elect to pay such dividends in the future, we may reduce or discontinue entirely the payment of such dividends at any time. If we pay any dividends, ADS holders will generally have the right to receive the dividends paid on the underlying ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See the section titled "Description of American Depositary Shares."

CAPITALIZATION

The following table sets forth our cash, cash equivalents and short-term investments and our capitalization as of September 30, 2022:

- on an actual basis;
- on a pro forma basis to give effect to (i) automatic conversion of all our outstanding preferred shares into an aggregate of 67,018,087 ordinary shares upon the closing of this offering and (ii) the effectiveness of our amended and restated memorandum and articles of association immediately upon the closing of this offering; and
- on a pro forma as adjusted basis to give further effect to the issuance and sale of 26,850,000 ordinary shares represented by ADSs by us in this offering at the assumed public offering price of \$14.00 per ADS (the midpoint of the estimated price range set forth on the cover of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information set forth below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this information in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus, as well as the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	AS OF SEPTEMBER 30, 2022		
	ACTUAL (IN THOUSANDS)	PRO FORMA EXCEPT SHARE	PRO FORMA AS ADJUSTED ⁽¹⁾⁽²⁾ AND PER SHARE AMOUNTS
Cash, cash equivalents and short-term investments	\$ 102,751	\$ 102,751	\$ 216,463
Redeemable noncontrolling interests:			
Series A preferred shares, \$0.0001 par value; 19,200,000 shares authorized, 19,200,000 shares issued and outstanding, actual, and no shares authorized or outstanding, pro forma and pro forma as adjusted	\$ 32,001	\$ —	\$ —
Series A+ preferred shares, \$0.0001 par value; 12,799,681 shares authorized, 12,799,681 shares issued and outstanding, actual, and no shares authorized or outstanding, pro forma and pro forma as adjusted	26,000	—	—
Series B preferred shares, \$0.0001 par value; 32,857,004 shares authorized, 32,857,004 shares issued and outstanding, actual, and no shares authorized or outstanding, pro forma and pro forma as adjusted	133,015	—	—
Series B-1 preferred shares, \$0.0001 par value; 2,161,402 shares authorized, 2,161,402 shares issued and outstanding, actual, and no shares authorized or outstanding, pro forma and pro forma as adjusted	8,959	—	—
Shareholders' equity (deficit):			
Undesignated shares, \$0.0001 par value; no shares authorized, issued or outstanding, actual; 100,000,000 shares authorized, no shares issued or outstanding, pro forma and pro forma as adjusted		—	—

	AS OF SEPTEMBER 30, 2022		
	ACTUAL	PRO FORMA	PRO FORMA AS ADJUSTED ⁽¹⁾⁽²⁾
	(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)		
Ordinary shares, \$0.0001 par value; 432,981,913 shares authorized, 10,526,654 shares issued and outstanding, actual; 500,000,000 shares authorized, 77,544,741 shares issued and outstanding, pro forma; and 500,000,000 shares authorized, 104,394,741 shares issued and outstanding, pro forma as adjusted	1	8	10
Additional paid-in capital	1,298	201,908	313,385
Accumulated other comprehensive income	(135)	(135)	(135)
Accumulated deficit	(105,077)	(105,719)	(105,719)
Total shareholders' deficit	(103,913)	96,062	207,541
Total capitalization	\$ 96,062	\$ 96,062	\$ 207,541

⁽¹⁾ Each \$1.00 increase (decrease) in the assumed initial public offering price of \$14.00 per ADS (the midpoint of the estimated price range set forth on the cover of this prospectus) would increase (decrease) each of our pro forma as adjusted cash, cash equivalents and short-term investments, total assets, working capital and total shareholders' equity by approximately \$8.3 million, assuming that the number of ADSs offered, as set forth on the cover of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1,000,000 ADSs in the number of ADSs offered by us would increase (decrease) each of our pro forma cash, cash equivalents and short-term investments, total assets, working capital and total shareholders' equity by approximately \$13.0 million, assuming the assumed initial public offering price per ADS remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

⁽²⁾ This pro forma as adjusted information is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing.

The number of ordinary shares to be outstanding after this offering is based on 77,544,741 ordinary shares outstanding as of September 30, 2022 (including 572,742 restricted ordinary shares that remained subject to repurchase rights as of such date, and assuming or after giving effect to the automatic conversion of all of our preferred shares outstanding), and excludes:

- 7,329,664 ordinary shares issuable upon the exercise of outstanding options as of September 30, 2022, with a weighted-average exercise price of \$1.55 per share;
- 397,500 ordinary shares issuable upon the exercise of outstanding options granted subsequent to September 30, 2022, with a weighted-average exercise price of \$3.06 per share;
- 112,279 ordinary shares issuable upon the exercise of outstanding warrants as of September 30, 2022, with a weighted-average exercise price of \$0.48 per share;
- 13,259,933 ordinary shares reserved for future issuance under our 2023 Plan, as well as any automatic increases in the number of ordinary shares reserved for future issuance under the 2023 Plan, which will become effective immediately prior to and contingent upon the execution of the underwriting agreement for this offering (including 1,259,933 ordinary shares reserved for issuance under our 2019 Plan, which shares will be added to the 2023 Plan upon its effectiveness); and
- 1,000,000 ordinary shares reserved for future issuance under our ESPP, as well as any automatic increases in the number of ordinary shares reserved for future issuance under the ESPP, which will become effective immediately prior to and contingent upon the execution of the underwriting agreement for this offering.

DILUTION

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

As of September 30, 2022, we had a historical net tangible book value (deficit) of \$(106.2) million, or \$(10.09) per ordinary share and \$(30.26) per ADS. We calculate net tangible book value (deficit) per ordinary share by dividing our total tangible assets (which excludes deferred offering costs) less our total liabilities and redeemable convertible preferred shares by the number of our ordinary shares outstanding.

Pro forma net tangible book value per ordinary share is calculated after giving effect to (i) the automatic conversion of all of our outstanding preferred shares into an aggregate of 67,018,087 ordinary shares immediately upon the closing of this offering and (ii) the effectiveness of our amended and restated memorandum and articles of association immediately upon the closing of this offering. Pro forma as adjusted net tangible book value per ordinary share is calculated after giving effect to (1) the pro forma adjustments described above and (2) the issuance of 26,850,000 ordinary shares represented by ADSs by us in this offering at the assumed initial public offering price of \$14.00 per ADS (the midpoint of the estimated price range set forth on the cover of this prospectus). Dilution is determined by subtracting pro forma as adjusted net tangible book value per ordinary share from the public offering price per ordinary share represented by ADSs.

After giving effect to the receipt of the estimated net proceeds from our sale of ADSs in this offering, assuming the initial public offering price of \$14.00 per ADS and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value at September 30, 2022 would have been approximately \$207.5 million, or \$1.99 per ordinary share and \$5.96 per ADS. This represents an immediate increase in net tangible book value of \$0.78 per ordinary share and \$2.34 per ADS to existing shareholders and an immediate dilution in net tangible book value of \$2.68 per ordinary share and \$8.04 per ADS to you. The following table illustrates such dilution:

Assumed initial public offering price per ADS	\$ 14.00
Historical net tangible book value (deficit) per ADS as of September 30, 2022	\$(30.26)
Pro forma increase per ADS attributable to the pro forma effects described above	33.89
Pro forma net tangible book value per ADS as of September 30, 2022	3.63
Increase in pro forma as adjusted net tangible book value per ADS attributable to new investors purchasing ADSs in this offering	2.34
Pro forma as adjusted net tangible book value ADS after this offering	5.96
Dilution per ADS to new investors purchasing shares in this offering	<u>\$ 8.04</u>

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$14.00 per ADS (the midpoint of the price range set forth on the cover of this prospectus), would decrease (increase) the dilution to new investors by \$0.25 per ordinary share and \$0.76 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 the estimated underwriting discounts and commissions and estimated expenses payable by us. Each increase of 1,000,000 ADSs in the number of ADSs offered by us would decrease the dilution to new investors by \$0.07 per ordinary share and \$0.20 per ADS, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated expenses payable by us. And each decrease of 1,000,000 ADSs in the number of ADSs offered by us would increase the dilution to new investors by \$0.07 per ordinary share and \$0.21 per ADS, assuming the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

If the underwriters exercise their option to purchase additional ADSs in full, the pro forma as adjusted net tangible book value would be \$2.08 per ordinary share and \$6.23 per ADS, and the dilution in pro forma as adjusted net tangible book value to investors in this offering would be \$2.59 per ordinary share and \$7.77 per ADS. The following table sets forth, on a pro forma as adjusted basis as of September 30, 2022, the number of ordinary shares purchased from us, the total consideration paid to us and the weighted-average price per ordinary share/ADS paid by existing shareholders and paid by new investors purchasing ADSs in this offering at an assumed initial public offering price of \$14.00 (the midpoint of the estimated price range set forth on the cover of this prospectus), before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	ORDINARY SHARES PURCHASED ⁽¹⁾		TOTAL CONSIDERATION		WEIGHTED-AVERAGE PRICE PER ADS
	NUMBER	PERCENT	AMOUNT	PERCENT	
Existing shareholders before this offering	77,544,741	74.3%	\$198,154,601	61.3%	\$ 7.67
Investors purchasing ADSs in this offering	26,850,000	25.7	125,300,000	38.7	\$ 14.00
Total	104,394,741	100.0%	\$323,454,601	100.0%	

⁽¹⁾ Includes ordinary shares underlying ADSs. Each ADS represents three ordinary shares. The presentation in this table regarding ownership by existing shareholders does not give effect to any purchases that existing shareholders may make through our directed share program or otherwise purchase in this offering.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$14.00 per ADS would decrease (increase) the total consideration paid by new investors by approximately \$9.0 million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by 1.65 percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by 1.74 percentage points, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus. Each increase (decrease) of 1,000,000 ADSs in the number of ADSs offered by us would increase (decrease) the total consideration paid by new investors by \$14.0 million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by 2.54 percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by 2.77 percentage points, assuming no change in the assumed initial public offering price per ADS.

The table assumes no exercise of the underwriters' option to purchase additional ADSs in this offering. If the underwriters were to fully exercise their option to purchase additional ADSs from us, the percentage of our ordinary shares held by existing shareholders would be reduced to 71.52%, and the percentage of our ordinary shares held by new investors would be increased to 28.48%.

The number of ordinary shares to be outstanding after this offering is based on 77,544,741 ordinary shares outstanding as of September 30, 2022 (including 572,742 restricted ordinary shares that remained subject to repurchase rights as of such date, and assuming or after giving effect to the automatic conversion of all of our preferred shares outstanding), and excludes:

- 7,329,664 ordinary shares issuable upon the exercise of outstanding options as of September 30, 2022, with a weighted-average exercise price of \$1.55 per share;
- 397,500 ordinary shares issuable upon the exercise of outstanding options granted subsequent to September 30, 2022, with a weighted-average exercise price of \$3.06 per share;
- 112,279 ordinary shares issuable upon the exercise of outstanding warrants as of September 30, 2022, with a weighted-average exercise price of \$0.48 per share;
- 13,259,933 ordinary shares reserved for future issuance under our 2023 Plan, as well as any automatic increases in the number of ordinary shares reserved for future issuance under the 2023 Plan, which will become effective upon the execution immediately prior to and contingent of the underwriting agreement for this offering (including 1,259,933 ordinary shares reserved for issuance under our 2019 Plan, which shares will be added to the 2023 Plan upon its effectiveness); and

- 1,000,000 ordinary shares reserved for future issuance under our ESPP, as well as any automatic increases in the number of ordinary shares reserved for future issuance under the ESPP, which will become effective upon the execution immediately prior to and contingent of the underwriting agreement for this offering.

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

New investors will experience further dilution if new options or warrants are issued under our equity incentive plans or we issue additional ordinary shares, other equity securities or convertible debt securities in the future. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our shareholders.

ENFORCEMENT OF CIVIL LIABILITIES

We are incorporated in the Cayman Islands to take advantage 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 exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include, but are not limited to:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide significantly less protection to investors as compared to the United States; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

Certain of our operations are conducted in China, and certain of our assets are located in China. Certain of our executive officers are nationals or residents of jurisdictions other than the United States or may have assets located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed Raymond Stevens as our agent upon whom process may be served in any action brought against us under the securities laws of the United States. Travers Thorp Alberga, our legal counsel as to Cayman Islands law, and Zhong Lun Law Firm, our legal counsel as to Chinese law, have advised us, respectively, that there is uncertainty as to whether the courts of the Cayman Islands and China, respectively, would:

- 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
- 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.

Travers Thorp Alberga has informed us that the uncertainty with regard to Cayman Islands law relates to whether a judgment obtained from the United States courts under civil liability provisions of the securities laws 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 Islands company. Because the courts of the Cayman Islands have yet to rule on whether such judgments are penal or punitive in nature, it is uncertain whether they would be enforceable in the Cayman Islands. Travers Thorp Alberga have advised us that the United States and the Cayman Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of U.S. courts in civil and commercial matters, and although there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States, a judgment in personam obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment:

- is given by a competent foreign court with jurisdiction to give the judgment;
- imposes a specific positive obligation on the judgment debtor (such as an obligation to pay a liquidated sum or perform a specified obligation);

- is final and conclusive;
- is not in respect of taxes, a fine or a penalty; and
- was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

Zhong Lun Law Firm has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. Chinese 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 reciprocity 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 Chinese law or national sovereignty, security or social public interest. As a result, it is uncertain whether and on what basis a Chinese 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 originate actions based on Chinese law against a company in China for disputes if they can establish sufficient nexus to China for a Chinese court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit. However, it would be difficult for foreign shareholders to establish sufficient nexus to China by virtue only of holding our ADSs or Ordinary Shares.

In addition, it will be difficult for U.S. shareholders to originate actions against us in China in accordance with Chinese 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 Chinese court to have jurisdiction as required under the PRC Civil Procedures Law.

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















You should carefully read, consider, and evaluate the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion and other parts of this prospectus contain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions, which are based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Our actual results could differ materially from those discussed in these forward-looking statements. Please also see the section titled "Special Note Regarding Forward-Looking Statements." Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled "Risk Factors."

Overview

We are a clinical stage global biopharmaceutical company aiming to develop and deliver novel oral therapeutics to treat a wide range of chronic diseases with unmet medical need. Our differentiated technology platform leverages structure-based drug discovery and computational chemistry expertise and enables us to develop oral small molecule therapeutics for the treatment of various diseases including those impacting the metabolic, cardiovascular, and pulmonary systems.

Our initial focus is on GPCRs as a therapeutic target class. GPCRs regulate numerous diverse physiological and pathological processes, and approximately one in every three marketed medicines targets GPCR-associated pathways. By leveraging our world-class GPCR know-how, we aim to design differentiated small molecule therapies to overcome the limitations of biologics and peptide therapies targeting this family of receptors. We are developing GSBR-1290, our oral small molecule product candidate targeting the validated GLP-1R for the treatment of T2DM and obesity. We completed our Phase 1 SAD study of GSBR-1290 in September 2022. GSBR-1290 was generally well tolerated and demonstrated dose-dependent PK and PD activity. We submitted an IND to the FDA to support initiation of a Phase 1b proof-of-concept study in T2DM and obesity and received FDA allowance in September 2022. We initiated the Phase 1b MAD study in January 2023 and plan to submit a protocol amendment to the FDA to transition to a Phase 2a proof-of-concept study in T2DM and obesity in the second half of 2023. We expect to report topline data for the Phase 1b study and Phase 2a study with the expected initiation in the second half of 2023. Beyond GSBR-1290, we are developing next generation GLP-1R candidates, including dual GLP-1R/GIPR agonists, each designed with customized properties to achieve additional benefit. In September 2022, we completed a Phase 1 SAD and MAD study evaluating ANPA-0073, our small molecule product candidate targeting APJR. ANPA-0073 was generally well tolerated in healthy human volunteers. ANPA-0073 is in development for the treatment of patients with IPF and PAH. We expect to conduct additional preclinical studies to be followed by a Phase 1 formulation bridging PK study in Australia. Moreover, we are advancing a differentiated LPA1R antagonist for the treatment of IPF. We selected a development candidate in January 2023 and expect to initiate a first-in-human study in 2024.

We are advancing a robust pipeline of small molecule therapeutic candidates for chronic diseases with unmet medical need.

Program	Indications	Preclinical		Clinical			Next Anticipated Milestones	Global Rights
		Discovery	IND-enabling	Phase 1	Phase 2	Phase 3		
 Oral GLP-1R Franchise	 GSBR-1290 GLP-1R	Type 2 Diabetes/ Obesity				<ul style="list-style-type: none"> Phase 1b/2a data 2H 2023 		
	 GSBR Next Gen Dual GLP-1R/GIPR					<ul style="list-style-type: none"> Nominate development candidate 2024 		
 Oral APJR	 ANPA-0073 APJR	Cardio-pulmonary				<ul style="list-style-type: none"> Phase 2 ready 2024 		
 Oral LPA1R	 LTSE-2578 LPA1R	IPF				<ul style="list-style-type: none"> Phase 1 initiation 2024 		

We outsource clinical drug manufacturing, storage, distribution and quality testing to third-party manufacturers. We believe this strategy allows us to maintain a more efficient infrastructure by eliminating the need for us to invest in our own manufacturing facilities, equipment and personnel while also enabling us to focus our expertise and resources on the design and development of our product candidates. As our development programs progress and we build new process efficiencies, we expect to continually evaluate this strategy with the objective of satisfying demand for registration trials and, if approved, the manufacture, sale and distribution of commercial products.

We are a Cayman Islands exempted company incorporated with limited liability. We were initially formed as a Delaware limited liability company in 2016 under the name ShouTi Inc., and reorganized as a Cayman Islands exempted company in February 2019. Our primary activities to date have included organizing and staffing our company, business and scientific planning, raising capital, conducting research and development activities, entering into strategic and corporate structuring transactions, enabling manufacturing activities in support of our product candidate development efforts, and establishing our intellectual property portfolio, and providing general and administrative support for these activities. We do not have any product candidates approved for sale and have not generated any revenue from our products. Since our inception, we have incurred net operating losses and negative cash flows from operations. We had net losses of \$15.9 million and \$38.0 million in the years ended December 31, 2020 and 2021, respectively, and net losses of \$24.7 million and \$39.4 million for the nine months ended September 30, 2021 and 2022, respectively. As of September 30, 2022, we had an accumulated deficit of \$105.1 million. As of September 30, 2022, we have financed our operations primarily through the private placement of equity securities and have received aggregate gross proceeds of approximately \$198.0 million, and have cash, cash equivalents and short-term investments of \$102.8 million. Based on our current business plan, we estimate that our existing cash, cash equivalents and short-term investments as of the date of this prospectus, together with the estimated net proceeds from this offering, will be sufficient to fund our projected operations through at least 2025. We have based this estimate on assumptions that may prove to be wrong, and we may exhaust our available capital resources sooner than we expect.

We expect to continue to incur significant and increasing expenses and operating losses for the foreseeable future, particularly if and as we continue to invest in our research and development activities and initiate additional clinical trials, expand our product pipeline, hire additional personnel and invest in and grow our business, maintain, expand and protect our intellectual property portfolio, and seek regulatory approvals for and commercialize any approved product candidates. In addition, following the closing of this offering, we expect to incur additional costs associated with operating as a public company, including significant legal, audit, accounting, regulatory, consulting, and tax-related services associated with being a public company, compliance with Nasdaq listing and SEC requirements, director and officer insurance premiums and investor relations costs that we did not incur as a private company. As a result, we will need substantial additional capital to develop our product candidates and fund operations for the foreseeable future. Moreover, we may in the future seek to acquire or invest in additional businesses, products, or technologies that we believe could complement or enhance our product, enhance our technical capabilities or otherwise offer growth opportunities, although we currently have no agreements or understandings with respect to any such acquisitions or investments. Until such time as we can generate significant revenue from our products, if ever, we expect to finance our operations through the public or private sale of equity, government or private party grants, debt financings or other capital sources, including potential collaborations with other companies or other strategic transactions. If we are unable to obtain additional funding, we could be forced to delay, reduce or eliminate some or all of our research and development programs, product portfolio expansion or any commercialization efforts, which could adversely affect our business prospects, or we may be unable to continue operations. If we raise funds through strategic collaborations or other similar arrangements with third-parties, we may have to relinquish valuable rights to our platform technology, future revenue streams, research programs or product candidates or may have to grant licenses on terms that may not be favorable to us and/or may reduce the value of our ordinary shares. Our ability to raise additional funds may be adversely impacted by potential worsening global economic conditions and disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic or other events. Because of the numerous risks and uncertainties associated with product development, we cannot predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability.

Impact of the COVID-19 Pandemic

In December 2019, a novel strain of coronavirus, COVID-19, was reported in China. Since then, COVID-19 has spread globally. The spread of COVID-19 from China to other countries has resulted in the World Health Organization, or WHO, declaring the outbreak of COVID-19 as a pandemic. Many countries around the world had imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus and had closed non-essential businesses. If local jurisdictions continue to put restrictions in place, our ability to continue to operate our business may also be limited. Such events may result in a period of business, supply and research activities' disruption, and in reduced operations, any of which could materially affect our business, financial condition and results of operations.

To date, we have experienced delays in our patient enrollment and our supply chain as a direct result of COVID-19 on our suppliers' ability to timely manufacture and ship certain supplies such as reagents and other lab consumables. However, we cannot, at this time, predict the specific extent, duration or full impact that the COVID-19 pandemic will have on our financial condition and operations, including our ongoing and planned preclinical studies and clinical trials. More specifically, the COVID-19 pandemic could disrupt the supply chain and the manufacture or shipment of drug substances and finished drug products for our product candidates for use in our research, preclinical studies and clinical trials, impede our clinical trial initiation and recruitment and the ability of patients to continue in clinical trials and cause delays in the FDA's review and approval processes, any of which could delay our preclinical studies and clinical trials and increase our development costs.

In addition, the spread of COVID-19, which has caused a broad impact globally, may materially affect us economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business. Possible effects may also include absenteeism in our labor workforce and unavailability of products and supplies used in operations.

The global COVID-19 pandemic continues to rapidly evolve, and we will continue to actively monitor the situation related to COVID-19 and may take further actions that alter our operations, including those that may be required by federal, state or local authorities, or that we determine are in the best interests of our employees and other third-parties with whom we do business.

Lhotse Collaboration Agreement with Schrödinger, LLC

In October 2020, Lhotse, our wholly-owned subsidiary, entered into the Lhotse-Schrödinger Agreement with Schrödinger to discover and develop novel, orally bioavailable, small molecule inhibitors of LPA1R. Under the Lhotse-Schrödinger Agreement, Schrödinger is obligated to provide computational modeling and design support, including by using its technology platform to perform virtual screens, and Lhotse is obligated to provide day-to-day chemistry and biology support. Pursuant to the Lhotse-Schrödinger Agreement, a joint steering committee comprised of representatives from both parties oversees the research performed under the agreement. During the term of the Lhotse-Schrödinger Agreement and for a specified period thereafter while Lhotse is engaged in active development of any compound having activity against LPA1R that is discovered or developed under the Lhotse-Schrödinger Agreement, Schrödinger is obligated to work exclusively with Lhotse on the design, research, development and commercialization of compounds that inhibit LPA1R. Lhotse will solely own the research results, work product, inventions and other intellectual property generated under the Lhotse-Schrödinger Agreement that are directed to LPA1R.

Under the Lhotse-Schrödinger Agreement, Lhotse is obligated to pay Schrödinger a quarterly active program payment in the low six digits for each successive three-month period during which Schrödinger continues to perform research work as agreed by the parties, and as of September 30, 2022, we have paid to Schrödinger an aggregate of \$0.8 million. If Lhotse develops and commercializes a product containing a compound, or Collaboration Compound, that is discovered or developed under the Lhotse-Schrödinger Agreement, or Collaboration Product, Lhotse is obligated to pay Schrödinger development and regulatory milestone payments of up to an aggregate of \$17.0 million, regardless of the number of Collaboration Products that reach such milestones. Lhotse will also be obligated to pay Schrödinger tiered royalties on a Collaboration Product-by-Collaboration Product basis equal to low single digit percentages on aggregate worldwide net sales of

Collaboration Products, subject to specified reductions and offsets. Lhotse's obligation to pay royalties to Schrödinger will expire on a Collaboration Product-by-Collaboration Product and country-by-country basis on the later of (i) the expiration of the last-to-expire Lhotse patent claim covering the composition of matter of the Collaboration Compound contained in such Collaboration Product in such country, (ii) the expiration of regulatory, pediatric, orphan drug, or data exclusivity with respect to such Collaboration Product in such country, and (iii) ten years after the first commercial sale of such Collaboration Product in such country, or Royalty Term.

Unless terminated earlier, the Lhotse-Schrödinger Agreement will continue for three years, subject to extension by mutual written agreement of the parties. Either party may terminate the Lhotse-Schrödinger Agreement for the other party's uncured material breach, subject to certain notice and cure periods, or for the other party's bankruptcy or insolvency. Lhotse's obligation to make milestone and royalty payments (subject to the Royalty Term) to Schrödinger continues after the expiration or termination of the Lhotse-Schrödinger Agreement.

Components of Our Results of Operations

Operating Expenses

Research and Development

Our research and development activities primarily consist of discovery, engineering and research associated with our product candidates under development, including preclinical studies and clinical studies. Research and development expenses include personnel-related costs for our management, including salaries, bonuses, benefits and share-based compensation expenses, consulting services, clinical trial expenses, regulatory expenses, publications, and allocated overhead expenses, including rent, equipment, depreciation, information technology costs and utilities.

We are focusing substantially all of our resources on the development of our product candidates and the discovery of new product candidates through our structure-based drug discovery platform. At this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development of our product candidates. The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors, including:

- the scope, rate of progress, expense and results of our clinical trials and preclinical studies and other research and development activities;
- the phases of development of our product candidates;
- the number of trials required for approval;
- the number of sites included in our trials;
- the countries in which our trials are conducted;
- per subject trial costs;
- uncertainties in clinical trial enrollment rates or design and drop-out/discontinuation rates, especially in light of the ongoing COVID-19 pandemic;
- significant and changing government regulation;
- the timing and receipt of any regulatory approvals;
- the FDA's, or other regulatory authority's influence on clinical trial design;
- making arrangements with third-party CROs;
- the cost and timing of manufacturing our product candidates;
- commercializing product candidates, if and when approved, whether alone or in collaboration with others;
- the extent to which we establish additional strategic arrangements;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates; and
- retention of key research and development personnel.

A change in the outcome of any of these variables with respect to the development of a product candidate could significantly change the costs, timing and viability associated with the development of that product candidate. For example, if the FDA, or an applicable foreign authority, were to require us to conduct clinical trials beyond those that we currently anticipate will be required for the completion of clinical development of our product candidates, or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development. Furthermore, we are unable to predict when or if our product candidates will receive regulatory approval with any certainty.

We expect our research and development expenses to continue to account for a significant portion of our operating expenses, and to increase substantially during the next several years as we seek to complete preclinical studies, initiate and/or complete clinical trials, identify new product candidates and potentially pursue regulatory approval of our product candidates.

General and Administrative

Our general and administrative expenses consist primarily of personnel-related costs for personnel in executive, legal, finance and other administrative functions, including salaries, bonuses, benefits and share-based compensation expenses, professional fees for legal, consulting, accounting and tax services, allocated overhead expenses, including rent, equipment, depreciation, information technology costs and utilities, and other general operating expenses not otherwise classified as research and development expenses.

We expect our general and administrative expenses will increase during the next several years as we increase our headcount and expand our infrastructure to support our operations, particularly as a public company. Additionally, in connection with being a public company, we anticipate significant increased expenses related to legal, audit, accounting, regulatory, consulting, and tax-related services, compliance with SEC rules and regulations and Nasdaq listing requirements, director and officer insurance premiums and investor relations costs. Our general and administrative expenses may fluctuate from period to period as we continue to grow.

Interest and Other Income (Expense), Net

Interest and other income (expense), net primarily consists of interest income earned on our cash, cash equivalents and short-term investments, foreign currency exchange gains and losses and interest expense for the amortization of debt issuance costs.

Results of Operations

Comparison of the Nine Months Ended September 30, 2021 and 2022

The following table summarizes our condensed consolidated results of operations for the periods indicated (in thousands):

	NINE MONTHS ENDED SEPTEMBER 30,	
	2021	2022
Operating expenses:		
Research and development	\$ 19,204	\$ 27,833
General and administrative	5,218	11,772
Total operating expenses	24,422	39,605
Loss from operations	(24,422)	(39,605)
Interest and other income (expense), net	(121)	356
Loss before income tax expense	(24,543)	(39,249)
Provision for income taxes	150	197
Net loss	\$ (24,693)	\$ (39,446)

Research and Development Expenses

Research and development expenses increased by \$8.6 million, or 45%, to \$27.8 million during the nine months ended September 30, 2022, compared to \$19.2 million during the nine months ended

September 30, 2021. The increase in research and development expenses was primarily due to increases in our lab expenses, employee related expenses, clinical trial expenses and consultants, as we increased our staffing and development efforts.

The following table summarizes our research and development expenses for the periods indicated (in thousands):

	NINE MONTHS ENDED SEPTEMBER 30,	
	2021	2022
Product candidate:		
ANPA-0073	\$ 4,924	\$ 3,402
GSR-1290	8,414	14,278
LTSE-2578	3,395	3,838
Other	2,471	6,315
Total research and development expenses	<u>\$ 19,204</u>	<u>\$ 27,833</u>

General and Administrative Expenses

General and administrative expenses increased by \$6.6 million, or 126%, to \$11.8 million during the nine months ended September 30, 2022, compared to \$5.2 million during the nine months ended September 30, 2021. The increase in general and administrative expenses was primarily due to employee-related expenses and consulting fees as we expanded our infrastructure in 2022 to drive and support the anticipated growth in our operations.

Interest and Other Income (Expense), Net

Interest and other income (expense), net, increased by \$0.5 million to an income of \$0.4 million during the nine months ended September 30, 2022, compared to an expense of \$0.1 million during the nine months ended September 30, 2021. The increase in interest and other income (expense), net, was primarily due to foreign currency exchange gains.

Comparison of the Years Ended December 31, 2020 and 2021

The following table summarizes our consolidated results of operations for the periods indicated (in thousands):

	YEAR ENDED DECEMBER 31,	
	2020	2021
Operating expenses:		
Research and development	\$ 12,364	\$ 29,111
General and administrative	3,542	8,585
Total operating expenses	15,906	37,696
Loss from operations	(15,906)	(37,696)
Interest and other income (expense), net	168	(122)
Loss before income tax expense	(15,738)	(37,818)
Provision for income taxes	138	231
Net loss	<u>\$ (15,876)</u>	<u>\$ (38,049)</u>

Research and Development Expenses

Research and development expenses increased by \$16.7 million, or 135%, to \$29.1 million during the year ended December 31, 2021, compared to \$12.4 million during the year ended December 31, 2020. The increase in research and development expenses was primarily due to increases in our lab expenses, employee related expenses, clinical trial expenses and consultants, as we increased our staffing and development efforts.

The following table summarizes our research and development expenses for the periods indicated (in thousands):

	YEAR ENDED DECEMBER 31,	
	2020	2021
Product candidate:		
ANPA-0073	\$ 2,899	\$ 7,251
GSBR-1290	6,884	11,697
LTSE-2578	1,767	4,585
Other	814	5,578
Total research and development expenses	<u>\$ 12,364</u>	<u>\$ 29,111</u>

General and Administrative Expenses

General and administrative expenses increased by \$5.1 million, or 142%, to \$ 8.6 million during the year ended December 31, 2021, compared to \$3.5 million during the year ended December 31, 2020. The increase in general and administrative expenses was primarily due to employee-related expenses and consulting fees as we expanded our infrastructure in 2021 to drive and support the anticipated growth in our operations.

Interest and Other Income (Expense), Net

Interest and other income (expense), net, decreased by \$0.3 million to an expense of \$0.1 million during the year ended December 31, 2021, compared to an income of \$0.2 million during the year ended December 31, 2020. The decrease in interest and other income, net, was primarily due to foreign currency exchange losses.

Liquidity and Capital Resources

Since we were reorganized as a Cayman Islands exempted company in February 2019 through September 30, 2022, we have funded our operations primarily with an aggregate of \$198.0 million in gross cash proceeds from the sale of redeemable convertible preferred shares. As of September 30, 2022, we had cash, cash equivalents and short-term investments of \$102.8 million and an accumulated deficit of \$105.1 million.

Redeemable Convertible Preferred Shares

Series A Redeemable Convertible Preferred Shares

In April 2019, we entered into a Series A redeemable convertible preferred shares purchase agreement, or the Series A Purchase Agreement, with certain investors to issue and sell 9,600,000 shares of Series A redeemable convertible preferred shares at \$1.6667 per share, or the Series A Purchase Price, for total gross proceeds of \$16.0 million.

The Series A Purchase Agreement also provided for the issuance and sale to the investors of an additional 9,600,000 shares of Series A redeemable convertible preferred shares at the Series A Purchase Price upon achieving certain milestone conditions, or the Series A Milestone Closing.

The issuance of Series A redeemable convertible preferred shares was recorded at the amount of proceeds received less issuance costs and the amounts allocated to the Series A Milestone Closing liability.

The Series A Milestone Closing occurred on December 9, 2019, and we issued 9,600,000 shares of Series A redeemable convertible preferred shares at the Series A Purchase Price for gross proceeds of \$16.0 million.

Series A+ Redeemable Convertible Preferred Shares

In March 2020, we entered into a Series A+ redeemable convertible preferred shares purchase agreement with certain investors to issue and sell 12,799,681 shares of Series A+ redeemable convertible preferred shares at \$2.0313 per share, for total gross proceeds of \$26.0 million.

Series B Redeemable Convertible Preferred Shares

In July 2021, we entered into a Series B redeemable convertible preferred shares purchase agreement with certain investors to issue and sell 24,701,732 shares of Series B redeemable convertible preferred shares at \$4.0483 per share, for total gross proceeds of \$100.0 million. In April 2022, we issued an additional 8,155,272

shares of our Series B redeemable convertible preferred shares for total gross proceeds of \$33.0 million, also at \$4.0483 per share.

Series B-1 Redeemable Convertible Preferred Shares

In March 2021, Basecamp Bio, our wholly owned subsidiary incorporated in February 2021, entered into a purchase agreement with certain investors to issue and sell 9,000,000 shares of its Series Seed redeemable convertible preferred shares at a price of \$1.00 per share for total gross proceeds of \$9.0 million. Of the 9,000,000 shares of Series Seed redeemable convertible preferred shares issued, 2,000,000 shares were issued to us and the remaining 7,000,000 shares were issued to other existing investors in Structure Therapeutics. In December 2021, we acquired the 7,000,000 Series Seed redeemable convertible preferred shares of Basecamp Bio held by the other investors in exchange for 2,161,402 shares of our Series B-1 redeemable convertible preferred stock, with Basecamp Bio becoming a wholly owned subsidiary again.

Silicon Valley Bank Loan

On August 4, 2020, we entered into the SVB Agreement with Silicon Valley Bank, or SVB, to raise up to \$8.0 million in debt financing, or the SVB Loan, consisting of \$5.0 million available to draw on or before July 31, 2021, or Tranche A, and the option to draw up to an additional \$3.0 million, or Tranche B, on or before January 31, 2022, which was conditioned on the initiation of a Phase 1 study on or before July 31, 2021 and nomination of a development candidate for a second asset on or prior to January 31, 2022, both of which we accomplished in May 2021. The Tranche B draw period was extended to July 31, 2022 upon receipt of net cash proceeds in an amount of at least \$50.0 million from the issuance and sale of our equity securities to investors and/or subordinated debt on or prior to January 31, 2022, which we satisfied in July 2021. The SVB Loan bore interest at a floating rate equal to the greater of (i) 0.25% below the prime rate and (ii) 3.0%. Repayment terms consisted of interest only through July 31, 2022, and then principal and interest through June 30, 2024. We elected to allow the Tranche A and Tranche B financings to expire unused on July 31, 2021 and July 31, 2022, respectively.

In connection with entering into the SVB Agreement, we issued SVB a warrant to purchase shares of our ordinary shares at an exercise price of \$0.48 per share, or SVB Warrant. The SVB Warrant is immediately exercisable for 112,279 shares of our ordinary shares and could have been exercisable for an additional number of ordinary shares equal to 44,567 ordinary shares upon a draw of Tranche A and 22,283 ordinary shares upon a draw of Tranche B. The right for the warrant to be exercisable for the additional Tranche A shares and Tranche B shares expired on July 31, 2021 and July 31, 2022, respectively, as we elected to allow the Tranche A and Tranche B to expire unused on July 31, 2021 and July 31, 2022, respectively.

Funding Requirements

As of September 30, 2022, we financed our operations primarily through the private placement of equity securities and have received aggregate gross proceeds of approximately \$198.0 million to date. Since our inception, we have incurred net operating losses and negative cash flows from operations. We had net losses of \$15.9 million and \$38.0 million in the years ended December 31, 2020 and 2021, respectively, and net losses of \$24.7 million and \$39.4 million for the nine months ended September 30, 2021 and 2022, respectively. As of September 30, 2022, we had an accumulated deficit of \$105.1 million. Our primary activities to date have included organizing and staffing our company, business and scientific planning, raising capital, conducting research and development activities, entering into strategic and corporate structuring transactions, enabling manufacturing activities in support of our product candidate development efforts, establishing our intellectual property portfolio, and providing general and administrative support for these activities.

As of September 30, 2022, we had cash, cash equivalents and short-term investments of \$102.8 million. Based on our current business plan, we believe that our existing cash, cash equivalents and short-term investments, without taking into consideration the net proceeds from this offering, will be sufficient to fund our projected operations for at least the next 12 months from the date of the issuance of the unaudited interim condensed consolidated financial statements. We have based this estimate on assumptions that may prove to be wrong, and we may exhaust our available capital resources sooner than we expect.

To date, we have not generated any revenue from our products. We do not expect to generate any significant product revenue until we successfully develop and obtain regulatory approval for and commercialize our product candidates, and we do not know when, or if, either will occur. We expect to continue to incur significant and

increasing expenses and operating losses for the foreseeable future, particularly if and as we continue to invest in our research and development activities and initiate additional clinical trials, expand our product pipeline, hire additional personnel and invest in and grow our business, maintain, expand and protect our intellectual property portfolio, and seek regulatory approvals for and commercialize any approved product candidates. In addition, following the closing of this offering, we expect to incur additional costs associated with operating as a public company, including significant legal, audit, accounting, regulatory, tax-related, director and officer insurance, investor relations and other expenses that we did not incur as a private company. Moreover, we may in the future seek to acquire or invest in additional businesses, products, or technologies that we believe could complement or enhance our product, enhance our technical capabilities or otherwise offer growth opportunities, although we currently have no agreements or understandings with respect to any such acquisitions or investments. We are subject to the risks typically related to the development of new product candidates, and it may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business.

We will need substantial additional capital to develop our product candidates and fund operations for the foreseeable future. Our future capital requirements will depend on many factors, including:

- the scope, timing, rate of progress and costs of our preclinical development activities, laboratory testing and clinical trials for our product candidates;
- the number and scope of clinical programs we decide to pursue;
- the cost, timing and outcome of preparing for and undergoing regulatory review of our product candidates;
- the cost and timing of manufacturing our product candidates;
- the cost and timing associated with commercializing our product candidates, if they receive marketing approval;
- the extent to which we acquire or in-license other product candidates and technologies;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- our efforts to enhance operational systems and our ability to attract, hire and retain qualified personnel, including personnel to support the development of our product candidates and, ultimately, the sale of our products, following FDA approval;
- our implementation of operational, financial and management systems; and
- the impact of the COVID-19 pandemic on U.S. and global economic conditions that may impact our ability to access capital on terms acceptable, or at all.

A change in the outcome of any of these or other variables with respect to the development of our product candidates could significantly change the costs and timing associated with the development of that product candidate. Furthermore, our business plans may change in the future, and we will continue to require additional capital to meet operational needs and capital requirements associated with such plans.

Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through the public or private sale of equity, government or private party grants, debt financings or other capital sources, including potential collaborations with other companies or other strategic transactions. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest may be diluted, and the terms of these securities may include liquidation or other preferences and anti-dilution protections that could adversely affect your rights as a holder of our ADSs. Additional debt or preferred equity financing, if available, may involve agreements that include restrictive covenants that may limit our ability to take specific actions, such as incurring debt, making capital expenditures or declaring dividends, which could adversely impact our ability to conduct our business, and may require the issuance of warrants, which could potentially dilute your ownership interest. If we raise funds through strategic collaborations or other similar arrangements with third-parties, we may have to relinquish valuable rights to our platform technology, future revenue streams, research programs or product candidates or may have to grant licenses on terms that may not be favorable to us and/or may reduce the value of our ordinary shares.

Our ability to raise additional funds may be adversely impacted by potential worsening global economic conditions and disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic or other events such as actual or anticipated changes in interest rates and economic inflation and the impact of the Russian/Ukraine conflict. If we are unable to obtain additional funding, or funding on acceptable terms, we could be forced to delay, reduce or eliminate some or all of our research and development programs, product portfolio expansion or any commercialization efforts, which could adversely affect our business prospects, or we may be unable to continue operations. Because of the numerous risks and uncertainties associated with product development, we cannot predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability.

Summary Statements of Cash Flows

The following table sets forth the primary sources and uses of cash for the periods presented below (in thousands):

	YEAR ENDED DECEMBER 31,		NINE MONTHS ENDED SEPTEMBER 30,	
	2020	2021	2021	2022
Net cash (used in) provided by:				
Operating activities	\$(14,283)	\$(32,160)	\$(21,401)	\$(34,094)
Investing activities	(21,147)	17,859	16,779	(72,449)
Financing activities	25,837	103,254	103,369	29,330
Net (decrease) increase in cash and cash equivalents	<u>\$ (9,593)</u>	<u>\$ 88,953</u>	<u>\$ 98,747</u>	<u>\$ (77,213)</u>

Cash Flows Used in Operating Activities

During the nine months ended September 30, 2021, net cash used in operating activities was \$21.4 million, consisting primarily of a net loss of \$24.7 million, partially offset by non-cash charges of \$0.8 million and a decrease in net operating assets of \$2.5 million. The cash used in operations was primarily due to the increase in net loss from the increase in operating expenses as we invest in our research and development efforts. Non-cash charges consisted primarily of share-based compensation. The decrease in net operating assets was primarily due to increases in accounts payable and accrued expenses and other current liabilities, partially offset by an increase in prepaid expenses and other current assets.

During the nine months ended September 30, 2022, net cash used in operating activities was \$34.1 million, consisting primarily of a net loss of \$39.4 million, partially offset by non-cash charges of \$1.9 million and a decrease in net operating assets of \$3.4 million. The cash used in operations was primarily due to the increase in net loss from the increase in operating expenses as we invest in our research and development efforts. Non-cash charges consisted primarily of share-based compensation, partly offset by gain from accretion of net investment discount. The decrease in net operating assets was primarily due to increases in accounts payable and accrued expenses and other current liabilities.

During the year ended December 31, 2020, net cash used in operating activities was \$14.3 million, consisting primarily of a net loss of \$15.9 million, partially offset by non-cash charges of \$0.6 million and a decrease in net operating assets of \$1.0 million. The cash used in operations was primarily due to the increase in net loss from the increase in operating expenses as we invest in our research and development efforts. Non-cash charges consisted primarily of share-based compensation. The decrease in net operating assets is primarily due to increases in accounts payable and accrued expenses and other current liabilities.

During the year ended December 31, 2021, net cash used in operating activities was \$32.2 million, consisting primarily of a net loss of \$38.0 million, partially offset by non-cash charges of \$1.8 million and a decrease in net operating assets of \$4.0 million. The cash used in operations was primarily due to the increase in net loss from the increase in operating expenses as we invest in our research and development efforts. Non-cash charges consisted primarily of share-based compensation. The decrease in net operating assets is primarily due to increases in accrued expenses and other current liabilities and accounts payable, partially offset by an increase in prepaid expenses and other current assets.

Cash Flows (Used in) Provided by Investing Activities

During the nine months ended September 30, 2021, net cash provided by investing activities was \$16.8 million, consisting primarily of net maturities of short-term investments of \$17.9 million, partially offset by purchases of property and equipment of \$1.1 million.

During the nine months ended September 30, 2022, net cash used in investing activities was \$72.4 million, consisting primarily of net purchases of short-term investments.

During the year ended December 31, 2020, net cash used in investing activities was \$21.1 million, consisting primarily of purchases of short-term investments.

During the year ended December 31, 2021, net cash provided by investing activities was \$17.9 million, consisting primarily of net maturities of short-term investments of \$19.1 million, partially offset by purchases of property and equipment of \$1.2 million.

Cash Flows Provided by Financing Activities

During the nine months ended September 30, 2021, net cash provided by financing activities was \$103.4 million, consisting primarily of net proceeds from the issuance of our Series B redeemable convertible preferred shares and Series Seed redeemable convertible preferred shares of Basecamp Bio.

During the nine months ended September 30, 2022, net cash provided by financing activities was \$29.3 million, consisting primarily of net proceeds from the issuance of our Series B redeemable convertible preferred shares, partially offset by payments of deferred offering costs.

During the year ended December 31, 2020, net cash provided by financing activities was \$25.8 million, consisting of net proceeds from the issuance of Series A+ redeemable convertible preferred shares.

During the year ended December 31, 2021, net cash provided by financing activities was \$103.3 million, consisting primarily of net proceeds from the issuance of our Series B redeemable convertible preferred shares and Series Seed redeemable convertible preferred shares of Basecamp Bio.

Off-Balance Sheet Arrangements

Since our inception, we did not have, and we do not currently have, any off-balance sheet arrangements as defined in the rules and regulations of the SEC.

Contractual Obligations

As of September 30, 2022, our contractual obligations consist of facilities lease payments totaling \$0.4 million through October 31, 2023.

Internal Control Over Financial Reporting

In connection with the preparation of the financial statements, material weaknesses in our internal control over financial reporting were identified as of December 31, 2021. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. These material weaknesses are as follows:

We did not design and maintain an effective control environment commensurate with our financial reporting requirements as we lacked a sufficient complement of professionals commensurate with our financial reporting requirements. Additionally, the lack of a sufficient number of professionals resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of our financial reporting objectives, as demonstrated by, amongst other things, insufficient segregation of duties in our finance and accounting functions. This material weakness contributed to the following additional material weaknesses:

We did not design and maintain effective controls to ensure adequate segregation of duties within our financial reporting function, including controls related to the procurement and payroll processes, journal entries and account reconciliations. Specifically, certain personnel have incompatible duties including the ability to (i) generate and approve invoices and authorize disbursements; (ii) add employees or modify employee data in the payroll system and authorize payments; (iii) create and post manual journal entries without an independent review; and (iv) prepare and review account reconciliations.

We did not design and maintain effective controls over certain information technology, or IT, general controls for information systems that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain (i) program change management controls to ensure that program and data changes are identified, tested, authorized and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to appropriate personnel; and (iii) computer operations controls to ensure that processing of data and data backups and recovery are monitored.

These material weaknesses did not result in any misstatements to the consolidated financial statements. However, these material weaknesses could result in a misstatement of substantially all of our accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

We have taken and will continue to take certain measures to remediate the material weaknesses described above, including the following:

- hiring additional accounting and IT personnel, including but not limited to, a senior director of SEC reporting and technical reporting, director of finance and financial planning and analysis and director of information security, as well as appointing our existing chief operating officer as the chief financial officer to bolster our reporting, accounting and IT capabilities;
- engaging a third party to assist in designing and implementing controls related to segregation of duties and IT general controls;
- designing and implementing controls to formalize roles and review responsibilities to align with our team's skills and experience and designing and implementing controls over segregation of duties.
- designing and implementing controls over the preparation and review of account reconciliations and journal entries supporting our period-end financial reporting process; and
- designing and implementing IT general controls, including controls over change management, the review and update of user access rights and privileges, controls over processing of data and data backups and recovery.

We have begun to hire additional accounting and IT personnel, including but not limited to the hiring of a senior director of SEC reporting and technical reporting in December 2021, director of finance and financial planning and analysis in February 2022 and director of information security in April 2022, engaged third party resources to assist us in designing and implementing controls related to period-end financial reporting, segregation of duties, and IT general controls, and begun to implement appropriate segregation of duties in the operation of manual controls. In addition, in May 2022, we appointed our existing chief operating officer as our chief financial officer. The material weaknesses will not be considered remediated until management completes the design and implementation of the measures described above and the controls operate for a sufficient period of time and management has concluded, through testing, that these controls are effective. We are working to remediate the material weaknesses as efficiently and effectively as possible.

Critical Accounting Policies and Significant Judgments and Estimates

Our financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles, or GAAP. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported expenses incurred during the reporting periods. Our estimates are based on our knowledge of current events and actions we may undertake in the future and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates under different assumptions or conditions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates. For more detail on our significant accounting policies, refer to Note 2 to our consolidated financial statements and unaudited interim condensed consolidated financial statements included elsewhere in this prospectus.

Share-Based Compensation

We use a fair value-based method to account for all share-based compensation arrangements with employees and non-employees, including share options and share awards. Our determination of the fair value of share options on the date of grant utilizes the Black-Scholes option pricing model.

We recognize the fair value of the options granted on a straight-line basis over the period during which an optionee is required to provide services in exchange for the option award, known as the requisite service period, which usually is the vesting period. We account for forfeitures as they occur.

Estimates of the fair value of equity awards as of the grant date using valuation models such as the Black-Scholes option pricing model are affected by assumptions with a number of complex variables. Changes in certain assumptions can materially affect the fair value and ultimately the amount of share-based compensation expense recognized. These inputs are subjective and generally require significant analysis and judgment to develop. The assumptions are as follows:

- *Fair Value of Ordinary Shares*—see the subsection titled “—Ordinary Shares Valuation” below.
- *Expected Term*—The expected term represents the period that the share-based awards are expected to be outstanding. The expected term is calculated using the simplified method which is used when there is insufficient historical data about exercise patterns and post-vesting employment termination behavior. The simplified method is based on the vesting period and the contractual term for each grant, or for each vesting-tranche for awards with graded vesting. The mid-point between the vesting date and the maximum contractual expiration date is used as the expected term under this method. For awards with multiple vesting-tranches, the times from grant until the mid-points for each of the tranches may be averaged to provide an overall expected term.
- *Expected Volatility*—For all share options granted to date, we estimated the volatility data based on a study of publicly traded industry peer companies as we did not have any trading history for our ordinary shares. For purposes of identifying these peer companies, we considered the industry, stage of development, size and financial leverage of potential comparable companies. For each grant, we measured historical volatility over a period equivalent to the expected term. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own share price becomes available.
- *Risk-Free Interest Rate*—The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant for zero-coupon U.S. Treasury notes with remaining terms similar to the expected term of the options.
- *Expected Dividend Yield*—We assumed the expected dividend to be zero as we have never paid dividends and have no current plans to do so.

See Note 11 to our audited consolidated financial statements and Note 10 to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for information concerning certain of the specific assumptions we used in applying the Black-Scholes option pricing model to determine the estimated fair value of our stock options granted in the years ended December 31, 2020 and 2021, and the nine months ended September 30, 2021 and 2022.

The intrinsic value of all outstanding options as of September 30, 2022, was approximately \$22.9 million, based on the assumed initial public offering price of \$14.00 per ADS (the midpoint of the price range set forth on the cover page of this prospectus), of which approximately \$8.6 million is related to vested options and approximately \$14.3 million is related to unvested options.

Ordinary Shares Valuation

The estimated fair value of the ordinary shares underlying our share options and share awards was determined at each grant date by our board of directors, with input from management and an independent third-party valuation firm. All options to purchase shares of our ordinary shares are intended to be exercisable at a price per share not less than the per-share fair value of our ordinary shares underlying those options on the date of grant.

In the absence of a public trading market for our ordinary shares, on each grant date, we develop an estimate of the fair value of our ordinary shares based on the information known to us on the date of grant, upon a

review of any recent events and their potential impact on the estimated fair value per share of the ordinary shares, and in part on contemporaneous input from an independent third-party valuation firm. Our estimate of fair value is reviewed and approved by our board of directors.

We determined our valuations of our ordinary shares in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*, or the Practice Aid. We based the assumptions used to determine the estimated fair value of our ordinary shares on numerous objective and subjective factors, combined with management judgment, including:

- our most recently available valuations of our ordinary shares performed by an independent third-party valuation firm;
- the prices at which we sold shares of our redeemable convertible preferred shares;
- the rights, preferences and privileges of our redeemable convertible preferred shares relative to those of our ordinary shares;
- lack of marketability of our common shares as a private company;
- our stage of development and business strategy, and material risks related to our business;
- our financial condition and operating results, including our levels of available capital resources;
- the progress of our research and development efforts;
- the hiring of key personnel and the experience of management;
- the likelihood of achieving a liquidity event given prevailing market conditions;
- external market conditions affecting the pharmaceutical and biotechnology industry and trends within the industry; and
- the valuation of comparable public companies.

For all options granted through September 30, 2022, our board determined the enterprise value based on the Market Approach, Option Pricing Method, or OPM, and Probability Weighted Expected Return Method, or PWERM, or a weighted combination of the OPM and PWERM methods. Under the Market Approach, we estimate the value based upon our prior sales of preferred stock to unrelated third parties. We then apply these derived multiples or values to our financial metrics to estimate our market value. The allocation of these enterprise values to each part of our capital structure, including our ordinary shares, was done based on the OPM. The OPM treats the rights of the holders of preferred and ordinary shares as equivalent to call options on any value of the enterprise above certain break points of value based upon the liquidation preferences of the holders of preferred shares, as well as their rights to participation and conversion. Thus, the estimated value of the ordinary share can be determined by estimating the value of its portion of each of these call option rights. The OPM derives the implied equity value of a company from a recent transaction involving our own securities issued on an arms-length basis. Under the PWERM, the value is estimated based upon analysis of future values for the enterprise under varying scenarios, and probabilities are ascribed to these scenarios based on expected future outcomes.

Following the closing of this offering, our board of directors intends to determine the fair value of our ordinary shares based on the closing sales price of our ordinary shares as reported on the primary stock exchange on which our ADSs are traded on the date of grant of equity awards.

Accrued Research and Development Expenses

We have entered into various agreements with contract manufacturing organizations, or CMOs, and CROs. Our research and development accruals are estimated based on the level of services performed, progress of the studies, including the phase or completion of events, and contracted costs. The estimated costs of research and development provided, but not yet invoiced, are included in other current liabilities on the balance sheets. If the actual timing of the performance of services or the level of effort varies from the original estimates, we will adjust the accrual accordingly. Payments made to CMOs and CROs under these arrangements in advance of the performance of the related services are recorded as prepaid expenses and other current assets on the balance sheets until the services are rendered. To date, our estimated accruals have not differed materially from the actual costs.

Redeemable Convertible Preferred Shares

We record all shares of our redeemable convertible preferred shares at their respective fair values on the dates of issuance, net of issuance costs. The fair value of Series B-1 redeemable convertible preferred shares issued in the Basecamp Bio share exchange agreement was estimated using various fair value measures of classes of preferred stock calculated as part of the valuation of our ordinary shares. In the event of the voluntary or involuntary liquidation, dissolution or winding up of our company, or a liquidation event such as a merger, acquisition and sale of all or substantially all of our assets, each of which we refer to as a deemed liquidation event, proceeds will be distributed in accordance with the liquidation preferences set forth in our amended and restated memorandum and articles of association unless the holders of redeemable convertible preferred shares have converted their redeemable convertible preferred shares into ordinary shares. Therefore, the redeemable convertible preferred shares are recorded in mezzanine equity on our balance sheets as events triggering the liquidation preferences are not solely within our control. We made an accounting policy election to recognize changes in the redemption value of redeemable convertible preferred shares immediately as they occur and adjust the carrying value of redeemable convertible preferred shares to equal its redemption value at the end of each reporting period.

JOBS Act Accounting Election and Smaller Reporting Company Status

We are an "emerging growth company," as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with certain new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We are also a "smaller reporting company" as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our ordinary shares held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and our ordinary shares held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

Recent Accounting Pronouncements

See "Recent Accounting Pronouncements" in Note 2 to our consolidated financial statements and unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for additional information.

Quantitative and Qualitative Disclosures About Market Risk**Interest Rate Sensitivity**

The market risk inherent in our financial instruments and in our financial position represents the potential loss arising from adverse changes in interest rates. As of September 30, 2022, we had cash, cash equivalents and short-term investments of \$102.8 million, consisting of interest-bearing money market funds, U.S. government bonds, U.S. government agency bonds and corporate debt securities, for which the fair value would be affected by changes in the general level of U.S. interest rates. However, due to the short-term maturities and the low-risk profile of our cash equivalents, we do not believe that a hypothetical 10% increase or decrease in the relative value of interest rates would have a material effect on our consolidated financial statements included elsewhere in this prospectus.

Foreign Currency Risk

Our business is primarily conducted in U.S. dollars. Transactions conducted in foreign currencies have not had, and are not expected to have, a material effect on our results of operations, financial position or cash flows. Our operating expenses in countries outside the United States, are payable in foreign currencies and therefore expose us to currency risk. We do not believe that a hypothetical 10% increase or decrease in the relative

value of the U.S. dollar to other currencies would have had a material effect on our consolidated financial statements included elsewhere in this prospectus. We do not currently maintain a program to hedge exposures to non-U.S. dollar currencies.

Credit Risk

We maintain our cash, cash equivalents and short-term investments with several financial institutions in the United States, China and the Cayman Islands, and our current deposits are likely in excess of insured limits. We believe these institutions have sufficient assets and liquidity to conduct their operations in the ordinary course of business with little or no credit risk to us.

Effects of Inflation

Inflation generally affects us by increasing our cost of labor and in the future our clinical trial costs. We do not believe that inflation has had a material effect on our consolidated financial statements included elsewhere in this prospectus.

BUSINESS**Overview**

We are a clinical stage global biopharmaceutical company aiming to develop and deliver novel oral therapeutics to treat a wide range of chronic diseases with unmet medical needs. Our differentiated technology platform leverages structure-based drug discovery and computational chemistry expertise and enables us to develop oral small molecule therapeutics for the treatment of various diseases including those impacting the metabolic, cardiovascular, and pulmonary systems.

Our initial focus is on G-protein-coupled receptors, or GPCRs, as a therapeutic target class. GPCRs regulate numerous diverse physiological and pathological processes, and approximately one in every three marketed medicines targets GPCR-associated pathways. By leveraging our world-class GPCR know-how, we aim to design differentiated small molecule therapies to overcome the limitations of biologics and peptide therapies targeting this family of receptors. We are developing GSB-1290, our oral small molecule product candidate targeting the validated glucagon-like-peptide-1 receptor, or GLP-1R, for the treatment of type-2 diabetes mellitus, or T2DM, and obesity. We completed our Phase 1 single ascending dose, or SAD, study of GSB-1290 in September 2022. GSB-1290 was generally well tolerated and demonstrated dose-dependent pharmacokinetics, or PK, and pharmacological, or PD, activity. We submitted an Investigational New Drug application, or IND, to the United States Food and Drug Administration, or FDA, to support initiation of a Phase 1b proof-of-concept study in T2DM and obesity and received FDA allowance in September 2022. We initiated the Phase 1b multiple ascending dose, or MAD, study in January 2023 and plan to submit a protocol amendment to the FDA to transition to a Phase 2a proof-of-concept study in T2DM and obesity with the expected initiation in the second half of 2023. We expect to report topline data for the Phase 1b study and Phase 2a study in the second half of 2023. Beyond GSB-1290, we are developing next generation GLP-1R candidates, including dual GLP-1R/GIPR agonists, each designed with customized properties to achieve additional benefit. In September 2022, we completed a Phase 1 SAD and MAD study evaluating ANPA-0073, our small molecule product candidate targeting the apelin receptor, or APJR, in which it was generally well tolerated in healthy human volunteers. ANPA-0073 is in development for the treatment of patients with idiopathic pulmonary fibrosis, or IPF, and pulmonary arterial hypertension, or PAH. We expect to conduct additional preclinical studies to be followed by a Phase 1 formulation bridging PK study in Australia. Moreover, we are advancing a differentiated lysophosphatidic acid 1 receptor, or LPA1R antagonist for the treatment of IPF. We selected a development candidate in January 2023 and expect to initiate a first-in-human study in 2024.

A number of GPCR properties contribute to its importance as a drug target class, including interaction with a diverse set of signaling molecules, involvement in a vast array of physiological and pathological processes, and cell surface expression that enables extracellular drug binding. As such, GPCRs have emerged as the largest family of targets for approved drugs, have provided significant benefit to patients and have achieved blockbuster sales in a number of therapeutic indications, including diabetes (Victoza), bipolar disorders (Ablify, Seroquel), asthma (Singulair), hypertension (Diovan, Lopressor), and cardiovascular disease (Plavix). Despite this success, there remain a number of challenges to continued innovation in this target class, including (i) low expression levels on cell surfaces, (ii) the complexity of the multi-subunit peptide GPCR receptor, (iii) difficulties in obtaining relevant crystal structures as a basis for drug design, and (iv) non-specific signaling through multiple intracellular signaling pathways, a concept known as non-biased signaling, which can limit activity and increase side effects. We have developed a platform designed to address these key challenges, enabling us to discover small molecule drugs to effectively target GPCRs. Further, our platform has been designed to develop novel drugs against other targets where traditional drug discovery methods have not been adequate.

Our next generation structure-based drug discovery platform is based on techniques that our founders have evolved for over 25 years, which enables us to generate small molecule product candidates designed to overcome the historical limitations of GPCR drug development. As shown below, we believe our insights and capability to visualize the three-dimensional protein structures of the target and the ligands combined with the computational chemistry capabilities of our co-founder and strategic partner, Schrödinger Inc., or Schrödinger, give us significant competitive advantages in highly efficient and rational drug design. We design our novel compounds by combining our knowledge of GPCR structures together with advanced physics-based computational methods, which we believe allows us to predict the binding affinity of molecules to the target site with a high degree of accuracy.

Advantages of GPCR oral small molecule therapeutic



CHALLENGES	OPPORTUNITIES
<ul style="list-style-type: none"> Limited cellular and tissue permeability Generally not orally available Limited stability, cold supply chain requirements Higher costs 	<ul style="list-style-type: none"> Customizable pharmaceutical properties Orally available, better patient compliance No cold-chain requirements Lower costs

We believe the strengths of our platform position us to develop oral small molecule drugs that can deliver biologic-like activity and specificity. Oral small molecules can address many of the key limitations of biologic and peptide drugs, thereby significantly improving patient access. We believe this is particularly important for the most prevalent chronic diseases including those involving the metabolic, cardiovascular, and pulmonary systems.

Our lead product candidate, GSB-1290, is an oral and biased small molecule agonist of GLP-1R, a validated GPCR drug target for T2DM and obesity. There are currently five marketed peptide molecules that target GLP-1R; collectively, these peptide therapies generated worldwide sales of \$13.2 billion in 2020. However, there are currently no approved oral small molecule therapies targeting GLP-1R. In non-human primate, or NHP, studies, GSB-1290 demonstrated glucose-dependent insulin secretion and suppressed food intake, resulting in weight reduction. Given these findings and other compelling preclinical data, we completed a Phase 1 study in healthy volunteers for GSB-1290 in September 2022. GSB-1290 was generally well tolerated and demonstrated dose-dependent PK and PD related activity. We submitted an IND to the FDA to support initiation of a Phase 1b proof-of-concept study in T2DM and obesity and received FDA allowance in September 2022. We initiated the Phase 1b MAD study in January 2023 and plan to submit a protocol amendment to the FDA to transition to a Phase 2a proof-of-concept study in T2DM and obesity with the expected initiation in the second half of 2023. We expect to report topline data for the Phase 1b study and Phase 2a study in the second half of 2023. Beyond GSB-1290, we are developing next generation GLP-1R candidates, including dual GLP-1R/GIPR agonists, each designed with customized properties to achieve additional benefit.

We are also developing oral small molecule therapeutics targeting other GPCRs for the treatment of pulmonary and cardiovascular diseases. Specifically, we are advancing ANPA-0073, our biased agonist, targeting APJR, a GPCR that has been implicated in IPF and PAH. In September 2022, we completed a Phase 1 SAD and MAD study evaluating ANPA-0073 in healthy human volunteers, in which it was generally well tolerated. Additionally, we are developing an antagonist that targets LPA1R, a GPCR implicated in responses to tissue injury and pro-fibrotic processes. We have demonstrated substantial anti-fibrotic activity of our LPA1R antagonists in mouse models of fibrotic lung disease and we selected a development candidate in January 2023 and expect to initiate a first-in-human study in 2024.

At Basecamp Bio Inc., or Basecamp Bio, our wholly owned subsidiary dedicated to fueling our pipeline and pursuing drug discovery partnerships, we leverage the power of cryo-electron microscopy, or cryo-EM, machine

learning and X-ray crystallography, as the basis for our molecular designs. We employ state-of-the-art small molecule hit identification, including DNA encoded library technology and affinity mass spectrometry selections for membrane proteins.

Our Management Team and Investors

We were co-founded by our Chief Executive Officer, Raymond Stevens, Ph.D., a world-renowned pioneer in the field of structure-based drug discovery, and by Schrödinger, a pioneering company in computational physics-based drug design. While at Scripps Research (formerly the Scripps Research Institute), Dr. Stevens' lab solved the first structure of a human GPCR in 2007, as well as many of the unique human GPCRs that have been structurally determined in the human proteome. This unparalleled track record of GPCR structure-based design forms one of the core elements enabling us to continually advance our platform technology.

Dr. Stevens has founded successful structure-based drug discovery companies, many of which have developed approved drugs, including Syrx, Inc., or Syrx (acquired by Takeda Pharmaceutical Co. in 2005), that developed alogliptin (Nesina), a dipeptidyl peptidase 4, or DPP-4, inhibitor for T2DM, and Receptos (acquired by Celgene Corporation in 2015) that developed the small molecule S1P1 agonist ozanimod (Zeposia), approved for ulcerative colitis and multiple sclerosis. Prior to founding Structure Therapeutics, Dr. Stevens founded The Bridge Institute at the University of Southern California and the iHuman Institute at ShanghaiTech University. He is also the founder of the GPCR Consortium, a public-private global collaboration advancing GPCR research.

In addition, we have assembled an exceptional global management team with extensive experience in drug discovery and development, business and commercial development, and capital markets activities. Mark Bach, M.D., Ph.D., our Chief Medical Officer, has over 30 years of clinical research and pharmaceutical development experience in both Asia and the United States at Janssen Pharmaceuticals and Merck & Co, Inc., or Merck. Xichen Lin, Ph.D., our Chief Scientific Officer and General Manager of Shanghai ShouTi Biotechnology Co., Ltd., brings 20 years of experience in drug discovery and development at Novo Nordisk A/S, or Novo Nordisk, and GlaxoSmithKline plc, or GSK. Yingli Ma, Ph.D., our Chief Technology Officer, brings close to 15 years of research, technology, and drug discovery experience at Amgen Inc., or Amgen, and GSK. Melita Sun Jung, our Chief Business Officer has over 20 years of life sciences corporate strategy, business development and commercial experience at Sangamo Therapeutics, Inc., Adamas Pharmaceuticals, Inc., and Ipsen Ltd. Jun Yoon, our Chief Financial Officer and co-founder, has over 20 years of industry operating experience at Cellerant Therapeutics, Inc., VIA Pharmaceuticals, Inc. and Syrx.

With offices in both the United States and the People's Republic of China, we are able to take advantage of the talent, discovery and development resources, and business opportunities in the two largest pharmaceutical markets globally. We are well positioned to understand the nuances and regulatory environments of each country, and we use these strengths to our advantage.

Since our inception, we have raised \$198.0 million, supported by a syndicate of leading global investors, including BVF Partners, Deep Track Capital, Eight Roads Ventures, F-Prime Capital Partners, Qiming Venture Partners, and Sequoia Capital China.

Our Strategy

Our mission is to discover and develop broadly accessible oral therapeutics to treat a wide range of chronic diseases with unmet medical need through advancements in structure-based drug discovery and computational chemistry. The key pillars of our business strategy to achieve this mission include:




- **Invest in and leverage our next generation structure-based drug discovery platform to drive innovations in GPCR targeted therapies and beyond.** Our platform has the potential to transform the treatment paradigm for a wide range of chronic diseases with unmet medical need. We are continually growing our position as a leader in structure-based drug discovery and development by incorporating platform innovations that have the potential to expand the therapeutic opportunity of this field. We are integrating advancements in computational chemistry, molecular imaging technologies, structural biology techniques, and machine learning while continuing to deepen our understanding of GPCR signaling pathways and pharmacology. We intend to expand into other key emerging areas where we can leverage our platform to develop orally-available molecules against targets that historically have been limited to peptides or biologics.

- **Advance our GLP-1R franchise of metabolic focused assets, establishing a foundation for additional opportunities.** Our franchise approach involves developing next generation GLP-1R agonists, including dual GLP-1R/GIPR agonists, each designed with customized properties to achieve maximum benefit. Based on compelling data generated from our preclinical studies, we believe that our lead GLP-1R candidate, GSBR-1290, has the potential to be a differentiated treatment for T2DM and obesity, and we completed a Phase 1 SAD study in T2DM in September 2022. We initiated the Phase 1b MAD study in January 2023 and plan to submit a protocol amendment to the FDA to transition to a Phase 2a proof-of-concept study in T2DM and obesity with the expected initiation in the second half of 2023. In addition, our next generation GLP-1R program is focused on the development of orally-available small molecules with GLP-1R and glucose-dependent insulinotropic polypeptide receptor, or GIPR, activity.
- **Pursue additional opportunities in chronic diseases.** Chronic diseases pose a major burden to patients and healthcare systems worldwide and there is an urgent need for effective and more accessible treatment options. For our APJR agonist product candidate, ANPA-0073, we completed a Phase 1 SAD and MAD study in healthy human volunteers in September 2022. ANPA-0073 is in development for the treatment of patients with IPF and PAH. We expect to conduct additional preclinical studies to be followed by a Phase 1 formulation bridging PK study in Australia. In addition, we are evaluating LPA1R antagonism in IPF, and selected a development candidate in January 2023 and expect to initiate a first-in-human study in 2024. We plan to continue to harness insights on GPCR targets, particularly among metabolic, endocrine, pulmonary, and cardiovascular indications, and leverage our platform to fuel our pipeline through our discovery engine at Basecamp Bio.
- **Maximize the potential of our platform and portfolio through strategic partnerships.** We have an established value- and capability-enhancing collaboration with Schrödinger, our co-founder and strategic partner. We intend to continue to explore additional collaborations with third parties to further strengthen our platform capabilities and enable expansion of our portfolio. We plan to leverage our platform for external opportunities where partners bring additional disease biology understanding, drug development and commercial expertise, regional insights, or other complementary capabilities.

Our Pipeline and Programs

We pursue opportunities to target GPCRs in human diseases on the basis of validated biology, safety, development feasibility and market potential. We are building a pipeline of wholly-owned oral small molecule drugs targeting chronic diseases with unmet medical need and commercial potential. Our initial focus is in areas of metabolic, cardiovascular and pulmonary diseases.

The following table summarizes key information on our current product candidates:

Program	Indications	Preclinical		Clinical			Next Anticipated Milestones	Global Rights
		Discovery	IND-enabling	Phase 1	Phase 2	Phase 3		
Oral GLP-1R Franchise	GSBR-1290 GLP-1R			▶			<ul style="list-style-type: none"> Phase 1b/2a data 2H 2023 Nominate development candidate 2024 	
	GSBR Next Gen Dual GLP-1R/GIPR	Type 2 Diabetes/Obesity	▶					
Oral APJR	ANPA-0073 APJR			▶			<ul style="list-style-type: none"> Phase 2 ready 2024 	
Oral LPA1R	LTSE-2578 LPA1R			▶			<ul style="list-style-type: none"> Phase 1 initiation 2024 	

Metabolic

We are initially advancing our GLP-1R franchise as a treatment for T2DM and obesity, conditions affecting approximately 537 million and 764 million people worldwide, respectively. We believe our GLP-1R programs have demonstrated qualities that offer the potential to differentiate them versus current approved and in development programs.

- **GSBR-1290.** GSBR-1290 is a biased GLP-1R agonist which has demonstrated dose-dependent activation of the G-protein pathway. GSBR-1290 has also demonstrated glucose-dependent insulin secretion and suppressed food intake with similar activity to an approved injectable peptide GLP-1R agonist in preclinical models. The product candidate is designed to be orally administered, without restrictions on diet or concomitant therapy. We submitted an IND in the United States for our dose escalation Phase 1b proof-of-concept study in T2DM and obesity. In September 2022, we received FDA allowance to proceed with the Phase 1b MAD study, which we initiated in January 2023, and plan to submit a protocol amendment to the FDA to transition to a Phase 2a proof-of-concept study in T2DM and obesity with the expected initiation in the second half of 2023. We expect to report topline data for the Phase 1b study and Phase 2a study in the second half of 2023. We will initially focus development of GSBR-1290 on T2DM with a secondary focus on obesity.
- **Next generation.** Our next generation small molecule program is focused on GLP-1R/GIPR modulation with the potential for enhanced metabolic control.

Pulmonary and Cardiovascular

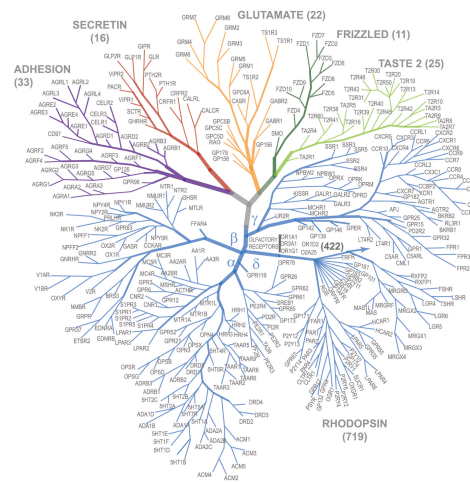
Our APJR agonist program is being evaluated for IPF and PAH. In another program, we are evaluating an LPA1R antagonist for IPF.

Our APJR product candidate, ANPA-0073, is a G-protein biased APJR agonist for which we completed a Phase 1 SAD and MAD study, in which it was generally well tolerated as a single dose from 2mg to 600 mg, and at doses from 75 mg to 500 mg once daily dosing for seven days, with no serious adverse events, or SAEs, reported.

GPCRs as a Therapeutic Target Family

GPCRs form the largest human membrane protein family, consisting of approximately 800 identified members as illustrated below. GPCRs are involved in several vital physiological functions, such as immune system regulation and inflammation, autonomic nervous system transmission, behavioral and mood regulation, sensory transmission, and maintenance of homeostasis, making them important targets for numerous therapeutics. To date, there are approximately 475 drugs on the market acting at over 100 unique GPCRs. Additionally, more than 220 GPCRs have not yet been explored as clinical targets, hence representing broad untapped therapeutic potential for addressing global healthcare needs.

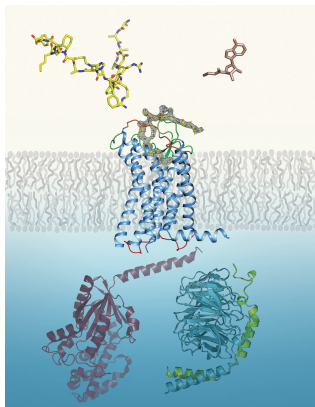
Phylogenetic tree of GPCR targets



GPCR targeting drugs have successfully delivered significant patient benefit resulting in large market opportunities in many therapeutic areas. Examples include liraglutide (Victoza for T2DM), aripiprazole (Abilify for schizophrenia, bipolar disorder and depression), montelukast (Singulair for asthma), valsartan (Diovan for hypertension), metoprolol (Lopressor for hypertension, angina, and myocardial infarction), and clopidogrel (Plavix for myocardial infarction and stroke). GPCR related drugs are the largest drug class accounting for approximately 27% of global pharmaceutical sales with estimated aggregate sales of \$890 billion between 2011 and 2015.

GPCRs are proteins that span the entire width of cell membranes. Their primary function is to recognize extracellular substances, primarily ligands, and transmit signals across the cell membrane to the inside of the cell.

Schematic of a GPCR



As shown above, the binding of extracellular ligands to GPCRs elicits conformational changes that impact the intracellular side of the receptor, resulting in the formation of a GPCR complex with signal transducers, particularly G-proteins. These signal transducers go on to interact with second messengers, ultimately either stimulating or inhibiting certain cellular processes.

GPCRs signal not only through G-proteins, but also through β -arrestins and other non-G-protein transducers. β -arrestins play an essential role in many physiological and pathological processes, and are involved in the desensitization, internalization, sequestration, and trafficking of GPCRs. Certain GPCR ligands are capable of simultaneously activating both G-protein and non-G-protein mediated signaling pathways, which can lead to a variety of physiologic as well as pathologic effects.

Challenges of GPCR Therapeutic Discovery and Development

Despite tremendous advancements in structure-based drug design and development, GPCR drug discovery and development remains challenging.

- Similarity between the binding sites of GPCRs and related receptors can cause off-target toxicities:** All GPCRs have the same overall three-dimensional architecture but the specific endogenous binding site is unique due to the placement of amino acid side chains shaping the binding site. For instance, the early sphingosine-1-phosphate 1 receptor, or S1P1R, agonist Gilenya led to the development of a new class of therapy for the treatment of multiple sclerosis, but had exhibited bradycardia as a side effect due in part to sphingosine-1-phosphate 3 receptor, or S1P3R activity, a very closely related S1P1 receptor subtype. The next generation S1P1R agonist Zeposia was designed using structural

information by Receptos, Inc. to remove the S1P3 and other activities and therefore did not have the same side effect profile as Gilenya.

- **GPCRs are involved in diverse downstream signaling pathways which can result in side effects:** GPCRs interact with a range of molecules, including G-protein and non-G-protein transducers including β -arrestin. Signaling pathway selectivity results from agonist-induced specific receptor conformation and when targeting GPCRs involved in multiple signaling pathways, both therapeutic benefits and side effect issues may arise.
- **Expression levels of GPCRs are low and create significant hurdles to structural and PD characterization:** Recombinant protein expression of GPCRs remains extremely challenging. Expression levels of GPCRs are low and improvement of expression level continues to be mainly empirical and resource-consuming. GPCRs are complex membrane proteins that require a stable membrane environment throughout the purification process to avoid destabilization and aggregation.
- **GPCR structural visualization is complex making GPCR structure-based drug discovery challenging:** Structure-based drug design requires rapid iterations of GPCR structures in complex with specific new ligands to determine their effects on conformation. This is well established through robust crystallography platforms for soluble drug targets. Cryo-EM has helped accelerate the membrane protein field, but the methods still require substantial expertise and execution.

Drug discovery approaches targeting GPCRs have evolved from traditional approaches including high throughput screening to rational design for enhanced activity, tailor-made signaling response, and improved selectivity, which leads to improved safety and tolerability profiles.

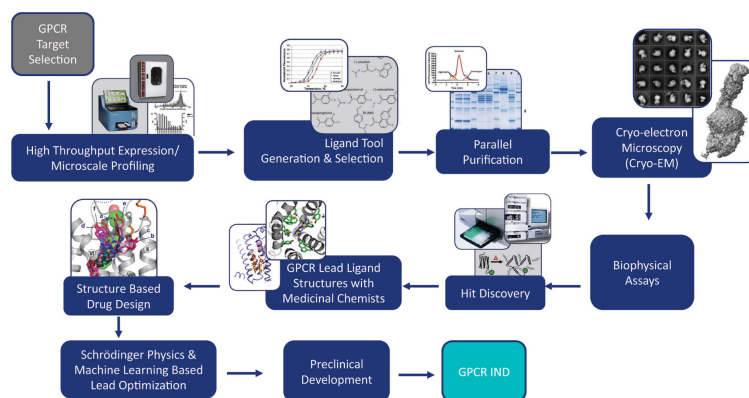
Our Platform and Approach

Our platform is based on techniques that our founders have been evolving for over 25 years, which have enabled them to deliver multiple marketed medicines. Our approach enables us to generate small molecule product candidates that are designed to overcome the historical limitations of GPCR drug development.

Our insights and capabilities enable us to visualize the three-dimensional protein structures of the target and the ligands. We believe this visualization combined with the computational chemistry capabilities of Schrödinger gives us significant competitive advantages in highly efficient and rational drug design. We design our novel compounds by combining our knowledge of GPCR structures together with advanced physics-based computational methods, which we believe allows us to predict the binding affinity of molecules to the target site with a high degree of accuracy.

As shown below, our technology platform allows us to determine feasibility, optimize the design of, and efficiently generate families of potent and highly selective small molecule candidates.

Structure Therapeutics integrated technology platform from target to IND



Oral small molecules have the potential to address the key limitations of biologic and peptide drugs, such as high cost and patient inconvenience, thereby significantly improving patient access. We believe this is particularly important for the most prevalent chronic diseases including those involving the endocrine, cardiovascular, and pulmonary systems. We believe the strengths of our technology platform will enable us to develop oral small molecule drugs that can deliver biologic-like activity and specificity.

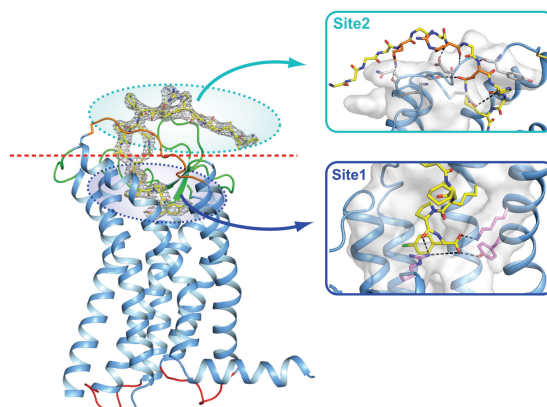
Strategic GPCR Target Prioritization

We start with target prioritization by focusing on validated GPCR targets that do not have attractive small molecule solutions. We then prioritize by assessing the feasibility of a small molecule solution for these targets and market opportunities of their respective target indication.

Expertise in GPCR Structure-Based Drug Discovery

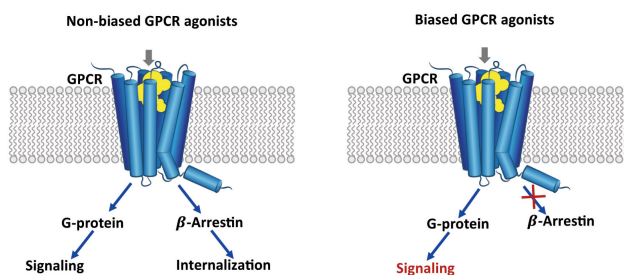
GPCRs are difficult to characterize structurally because they are composed of seven transmembrane domains, have low expression, and are unstable outside of the cell membrane environment. While structure-based approaches have been utilized for decades in soluble protein drug discovery, recent breakthrough advancements in computational chemistry, artificial intelligence, machine learning and electron microscopy are redefining the field of GPCR structure-based drug discovery.

Visualization of GPCR Structure and binding site interactions



As shown above, our structure-based technology platform combines direct visualization of protein receptor binding interactions with advanced simulation of molecular motion and signal transduction. Site 1 is considered to be the orthosteric or primary binding site for receptor activation. Site 2 is on the surface of the receptor, often referred to as the allosteric site and may potentially regulate receptor activation signaling. By visualizing and analyzing how different ligands bind to a particular target and specific sites and affect their conformational dynamics, we believe we are able to efficiently convert biologics and peptides into more accessible, patient-accommodating oral small molecules. In addition, we can enhance the pharmaceutical properties of our small molecules with the aim to elicit the desired function while maintaining superior pharmaceutical properties.

Non-biased vs biased GPCR agonists



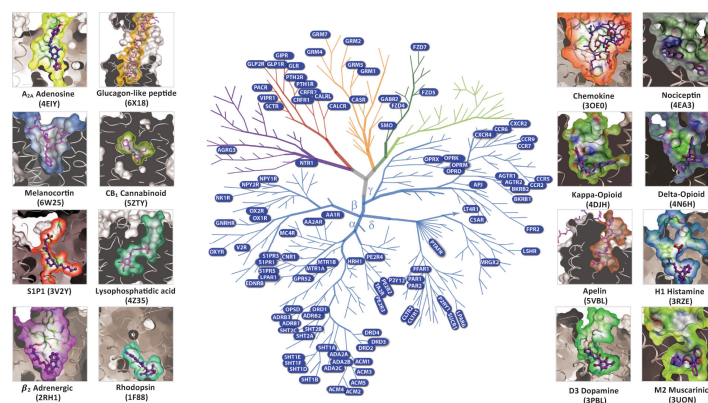
Additionally, GPCR signaling can follow several pathways and molecules can be designed such that their pharmacology is selected to create "biased signaling" as illustrated above. GPCRs are known to signal not only through G-proteins, but also through β -arrestins, intracellular proteins that "arrest" the signal and stop the receptor from becoming over-stimulated through a receptor internalization mechanism. Using the three-dimensional structures of GPCRs and selection methods, we can potentially design highly selective "biased" molecules that preferentially activate G-protein and not β -arrestin pathways, which could lead to enhanced clinical activity as well as an improved safety profile due to lower dosage requirements.

GPCR Experience

Robust and Integrated Medicinal Chemistry to Generate and Optimize Hits on GPCR Targets

We have extensive medicinal chemistry know-how on the discovery and development of novel molecules that target GPCRs. When coupled with our deep understanding of GPCR biology, we have the potential to design appropriate chemotypes for each GPCR function as illustrated below.

Family members with determined structures are highlighted within the tree, and their binding pockets with the ligand



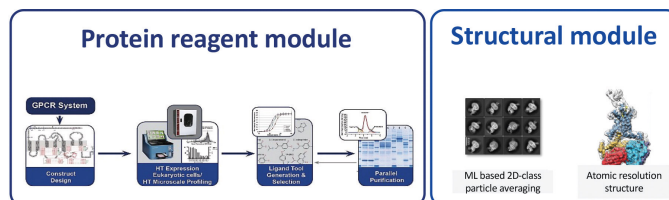
Four character code at end of each image is Protein Data Bank ID.

Further optimization of compounds powered by our excellence in medicinal chemistry lead us to identify potent and selective oral small molecule product candidates.

Partnership with Schrödinger Leveraging its Cutting-Edge Computational Chemistry Capability

We have a collaboration with Schrödinger on the iteration and optimization of GPCR lead compounds using various next-generation physics-based computational technologies. Schrödinger is a scientific leader in chemical simulation, accurate physics-based methods, which includes among many technologies, Free Energy Perturbation, or FEP, and *in silico* drug discovery. Its computational platforms integrate predictive physics-based methods with machine learning to evaluate billions of compounds *in silico*, achieving experimental accuracy on properties such as binding affinity and solubility. Through this iterative process, we can accelerate evaluation and optimization of molecules *in silico* ahead of synthesis and assay, and then further optimize them through additional cycles of computation analysis.

Structure Therapeutics integrated platform



Computational and chemistry module



As shown above, our collaboration with Schrödinger in our computational and chemistry module enables us to accelerate our lead optimization drug discovery process and reduce development costs. In our partnership with Schrödinger on GPCR drug discovery, we retain the full product rights on the compounds under development.

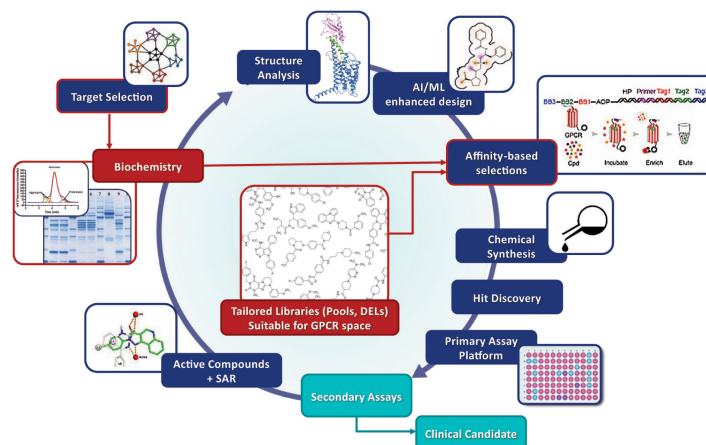
Safety Assays

We have proactively used cell and animal-based safety assays to better screen out unwanted side effects, such as liver, cardiovascular and central nervous system toxicity at the initial stages of lead optimization, and we have designed molecules to help minimize safety risks at every step. Our in-depth understanding of GPCR signaling pathway provide us insights to design biased molecules when necessary to mitigate any unwanted liabilities while maintaining the desired activities.

Other Proprietary In-House Development Tools for Drug Synthesis and Screening

Basecamp Bio focuses specifically on technology development and early discovery and continues to innovate new methods, particularly in hit discovery.

Basecamp Bio early discovery



In addition to our robust iterative structure-based drug discovery platform shown above, Basecamp Bio is optimizing proprietary in-house drug discovery tools including DNA-Encoded Library technology and Affinity Mass Spectrometry technology to enable the synthesis and screening of vast numbers of small molecule product candidates at a scale that is not possible to achieve by traditional methods.

Our Lead GPCR Programs

By leveraging our unique platform capabilities, we are building a pipeline of oral small molecule product candidates designed to have patient impact and broad commercial opportunity in therapeutic areas traditionally dominated by biologics and peptide medicines. We are initially focusing on chronic metabolic, cardiovascular, and pulmonary diseases with unmet medical need.

Our GLP-1R Focused Franchise for Metabolic Disorders

To unlock the full potential of our drug discovery platform across a broad range of metabolic indications, we intend to build out our franchise approach for GLP-1R. Our franchise approach involves developing next generation GLP-1R candidates, with each exhibiting customized properties to achieve additional benefit. Our lead GLP-1R product candidate, GSB-1290, has the potential to be a differentiated treatment for T2DM and obesity based on preclinical data.

GSBR-1290 is an oral and biased agonist of the GLP-1R, a validated GPCR drug target involved in a variety of metabolic conditions. We completed a Phase 1 SAD study for GSB-1290 in healthy volunteers in September 2022. We initiated the Phase 1b MAD study in January 2023 and plan to submit a protocol amendment to the FDA to transition to a Phase 2a proof-of-concept study in T2DM and obesity with the expected initiation in the second half of 2023. Based on our preclinical data, we believe that GSB-1290 and our next-generation product candidates have the potential to have highly differentiated profiles versus currently approved therapies and those in development.

Diabetes Disease Background

Diabetes mellitus, or DM, is an endocrine related disorder of glucose regulation with subsequent hyperglycemia, or high blood sugar, which develops following pancreatic β -cell destruction or dysfunction resulting in severe loss of insulin production, also known as type 1 diabetes, or β -cell dysfunction and loss of insulin sensitivity, also known as T2DM. T2DM is more common in adults and accounts for around 90% of all diabetes cases. In T2DM, the loss of insulin sensitivity is often preceded by being overweight or obese, and manifests along with

hypertension and dyslipidemia. Regardless of etiology, once hyperglycemia develops, patients with diabetes share a common disease course characterized by atherosclerotic diseases such as coronary heart disease, stroke, peripheral vascular disease and/or, microvascular diseases such as nephropathy, retinopathy, and neuropathy. Additionally, hyperglycemia is associated with metabolic dysfunction, chronic inflammation, and an increase in infections.

According to the 2021 International Diabetes Federation Diabetes Atlas, more than one in ten adults are now living with diabetes globally. The estimated prevalence of diabetes in adults aged 20 to 79 years has more than tripled since 2000, from an estimated 151 million (4.6% of the global population in this age group at the time) to 537 million (10.5%) today. If trends continue, the number will jump to a staggering 783 million (12.2%) by 2045. The number of adults with diabetes in the United States reached 32.2 million in 2021, while China has the largest numbers of adults with diabetes at 140.9 million. In 2021, approximately 6.7 million adults aged 20 to 79 are estimated to have died as a result of diabetes or its complications. According to American Diabetes Association, or ADA, the total estimated cost of diagnosed diabetes in the United States increased to \$327 billion in 2017, which included \$237 billion in direct medical costs and \$90 billion in reduced productivity.

In newly diagnosed T2DM patients, treatment is focused on improving modifiable risk factors such as obesity, low physical activity and high caloric diet through patient education that includes instruction on maintaining a healthy lifestyle including nutritional counseling, avoiding excessive calories and rapidly absorbed carbohydrates, and physical exercise. Patients who are unable to achieve glycemic control through weight loss and/or lifestyle modifications should be started on single or combination glucose-lowering medications to lower their glycemic burden and reduce the risk of cardiovascular and other complications.

Obesity Disease Background

Obesity, defined as a body mass index, or BMI, of ≥ 30 kg/m², is a major independent risk factor for T2DM. Approximately 90% of T2DM patients are considered either overweight with a BMI between 25.0 kg/m² and 29.9 kg/m², or obese with a BMI of 30 kg/m² or greater. Worldwide obesity has nearly tripled between 1975 and 2016. As of 2020, 1.9 billion (39%) adults were overweight, including over 764 million (15%) adults who were obese. In men, being slightly overweight increased diabetes risk seven-fold and in women, being slightly overweight increased diabetes risk twelve-fold. Being obese increased the risk to 60-fold.

Obesity affects nearly one third of all adults in the United States and is associated with a range of comorbidities, such as T2DM, cardiovascular disease, obstructive sleep apnea, and cancer. Importantly, even modest weight reduction, on the order of five to ten percent, can significantly reduce comorbidities and improve health-related outcomes and has been recently recommended by the major scientific societies (European Association of the Study of Diabetes, or EASD, and ADA). Obesity therefore represents an immense commercial opportunity with very few approved therapies on the market. The GLP-1R agonist semaglutide, approved for use in T2DM, has also been approved for weight management for which it is marketed under the brand name Wegovy, which is estimated to reach peak sales of \$6.7 billion in 2026.

Relationship Between T2DM and Obesity

T2DM and obesity are not independent conditions, as the majority of patients with T2DM are obese. Observed increases in the prevalence of T2DM are related to the increasing prevalence of obesity and multiple mechanisms have been proposed through which they may be linked pathophysiologically. Upper body and visceral fat are associated with T2DM, metabolic syndrome and cardiovascular disease. Obesity is a major contributor to poor metabolic control in patients with T2DM.

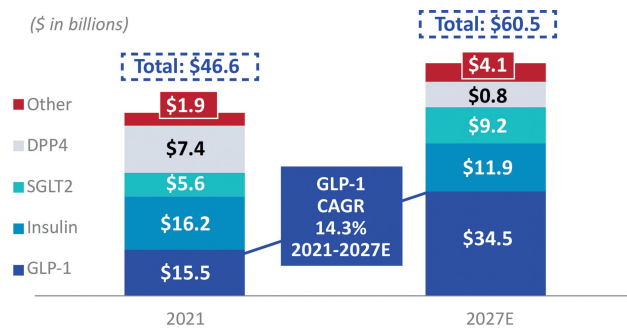
Increasingly, weight reduction is seen as an important goal of therapy for patients with T2DM. Weight loss in the first year of treatment of T2DM has been associated with an increase in life expectancy. According to the ADA Standards of Medical Care in Diabetes—2022, management of obesity is an important factor in the treatment of diabetes since even a small degree of weight loss can improve control of blood sugar levels, resulting in a decreased need for glucose-lowering medications. Given this information, a therapy that can both lower blood glucose and help with weight management in T2DM could have near-term benefits in glycemic control and longer-term benefits in increased insulin sensitivity and reduction of cardiovascular risk.

Current Treatments for T2DM

First-line treatment for patients with T2DM involves lifestyle modifications and metformin. If glycemic control remains inadequate, an additional oral glucose lowering medication should be added. Options include sodium-glucose transport protein 2 inhibitors, dipeptidyl peptidase-4 inhibitors, and GLP-1R agonists. Current treatment

algorithms suggest that GLP-1R agonists should be preferentially used after metformin failure in patients who are at high risk for, or who have established, atherosclerotic cardiovascular disease. Several scientific societies, including the EASD and ADA, recommend GLP-1R agonists as first line therapy in patients with established atherosclerotic cardiovascular disease or in those at high risk of developing disease. According to Global Data, Eli Lilly and Company, or Eli Lilly, Novo Nordisk, Merck and Sanofi S.A., or Sanofi, have captured significant market share in the approximately \$46.6 billion market for glucose-lowering agents in 2021, which is projected to grow to \$60.5 billion by 2027 as depicted below.

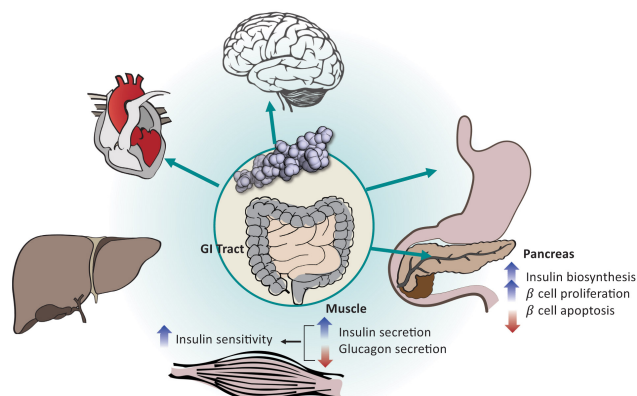
Historical and projected global type-2 diabetes drug sales by class



Overview of GLP-1R Signaling Pathway and Target Biology

GLP-1 is an incretin peptide secreted in the intestinal tract in response to food intake. GLP-1 stimulates insulin secretion from pancreatic β -cells and inhibits glucagon secretion from pancreatic α -cells. GLP-1 receptors are located on various cell and tissue types including pancreatic β -cells, central and peripheral neurons, cells of the intestinal tract, vascular smooth muscle and endothelial cells, coronary arteries, and the sino-atrial node of the heart. Through actions at these receptors, GLP-1 and GLP-1R agonists have demonstrated widespread therapeutic effects in patients with diabetes, including stimulating insulin secretion and lowering blood glucose levels, slowing gastric emptying, reducing caloric intake, promoting weight loss, improving lipoprotein metabolism, lowering systolic blood pressure, improving complications from arteriosclerotic cardiovascular diseases, and reducing cardiovascular disease morbidity and mortality, as illustrated below.

GLP-1R pathway and target biology



Endogenous GLP-1 is rapidly degraded *in vivo* by DPP-4, with a half-life of one to two minutes. The development of GLP-1R agonists for the treatment of diabetes and obesity has involved modifications to the GLP-1 peptide and/or conjugation to carrier compounds or matrices that delay degradation after subcutaneous administration.

The five marketed GLP-1R agonists are synthetic peptides and include liraglutide and semaglutide marketed by Novo Nordisk; dulaglutide marketed by Eli Lilly; exenatide marketed primarily by AstraZeneca plc, or AstraZeneca; and lixisenatide marketed by Sanofi. According to Global Data, these five GLP-1R peptides approved for T2DM and/or obesity collectively generated approximately \$13.2 billion in worldwide sales in 2020, which is projected to reach \$36.4 billion by 2026.

Rybelsus is an oral formulation of semaglutide co-formulated with sodium N-8-(2-hydroxybenzoyl) amino caprylate to limit degradation and improve oral absorption. To date, there are no approved oral small molecule therapies targeting this pathway.

Common side effects of GLP-1R agonists include nausea, vomiting, and diarrhea, which are most pronounced when starting therapy or increasing the dose. Generally, these effects correlate with times of maximum drug concentrations and ameliorate with continued therapy. Typically, slow up-titration to the desired dose can mitigate these side effects. However, once-weekly injectable GLP-1R agonists typically require a long titration period to achieve an optimal dose, potentially delaying therapeutic benefit. Once-daily therapy with an oral small molecule may provide flexibility in titration and allow a combined approach with other oral therapies.

The Unmet Medical Need for Improved GLP-1R Therapeutics in Diabetes and Obesity

GLP-1R agonists provide multiple beneficial effects in patients with T2DM, including excellent glycemic control with low risk of hypoglycemia, weight loss and protection against cardiovascular and renal complications. However, we believe approved GLP-1R agonists have shortcomings in terms of patient convenience, ease of dosing, and cost.

Injectable peptide GLP-1R agonist peptides require patients to self-inject, require inconvenient refrigerated storage and are costly. In addition, long acting GLP-1R agonists typically require long titration periods to reach an optimal dose for disease management in order to avoid treatment-associated gastrointestinal side effects.

Oral semaglutide (Rybelsus), the first approved oral GLP-1R peptide agonist, provides an option for patients who are unable or unwilling to self-administer. However, Rybelsus requires a stringent dosing protocol and dosing with up to four ounces of water with no food or beverage within 30 minutes. Additionally, the product's absorption enhancer may affect the absorption of other concomitantly administered oral medications.

We believe there is an unmet medical need for orally administered GLP-1R agonists that meet or exceed efficacy and safety parameters of available drugs with less stringent preparation requirements. Such existing constraints include restrictive food or fluid dosing protocols, refrigeration, maintenance of effective concentrations throughout the dosing interval, without interfering with the absorption of concomitant medications and that offer the potential for combination products with other glucose lowering agents or other commonly co-administered therapies.

In addition to glycemic control, weight management is increasingly viewed as important to the management of T2DM. Injectable GLP-1R agonists, liraglutide and semaglutide result in weight loss at doses approved for treatment of T2DM, while higher doses of each drug, indicated for chronic weight management, result in greater weight loss. At an appropriate dose, an oral GLP-1R agonist may play a role in managing both blood glucose and weight.

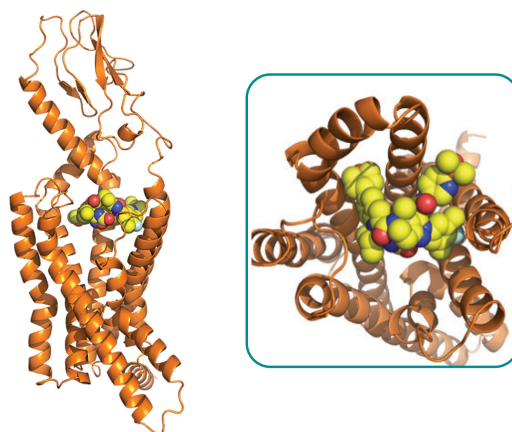
Our Solution: Small Molecule GLP-1R Agonist

GLP-1, along with GIPR, comprise the incretin family, peptide hormones secreted into the blood by enteroendocrine cells in the gut, which play a role in glycemic control. We are taking a franchise approach to our GLP-1R programs by developing next generation GLP-1 agonists and potential GIPR modulators. Leveraging the depth of our GLP-1R/GIPR structure platform, proprietary compound library and deep biology and disease insights, we are advancing multiple generations of structurally distinct GLP-1R agonist molecules through lead optimization. Each molecule is designed to have a different tissue penetration profile and other incretin activities in order to maximize the value and/or realize the full potential offered by our in-house platform.

GSBR-1290

We are developing GSBR-1290, a biased orally-available small molecule GLP-1R agonist, initially as a treatment for T2DM and obesity. Due to its significant preclinical activity and oral availability, we believe that GSBR-1290 has the potential to be a differentiated treatment with no restrictions on diet or concomitant therapies.

GSBR-1290 analog bound GLP-1R cryo-EM structure



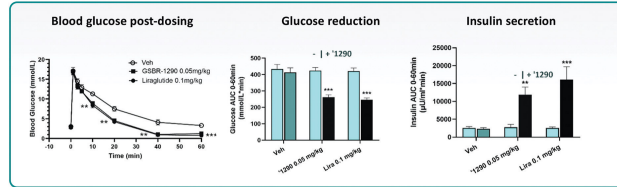
GSBR-1290 was designed through our internal structure-based drug discovery platform. As shown above, multiple small molecules bound to GLP-1R structures have been generated to guide iterative chemistry design efforts. GSBR-1290 is also designed to be a biased GPCR agonist, which only activates the G-protein

pathway without β -arrestin signaling at therapeutic doses, thereby avoiding receptor internalization and desensitization. In an intravenous glucose tolerance test, or ivGTT, in NHPs, GSB-1290 increased glucose-dependent insulin secretion to a similar level achieved by liraglutide, an approved injectable GLP-1R agonist. In a repeat food intake study in NHPs, GSB-1290 showed a significant decrease in body weight relative to the placebo and surpassed that seen with liraglutide.

Preclinical Data, Pharmacology, and Biomarker Data

In NHP ivGTT studies, glucose was injected five minutes following intravenous administration of either GSB-1290 (0.05 mg/kg) or liraglutide (0.1 mg/kg). Plasma samples were taken at indicated timepoints to evaluate insulin and glucose levels. GSB-1290 demonstrated statistically significant decreases in blood glucose concentration via stimulation of insulin secretion in a glucose-dependent manner, similar to liraglutide which was dosed at an equivalent approved human dose.

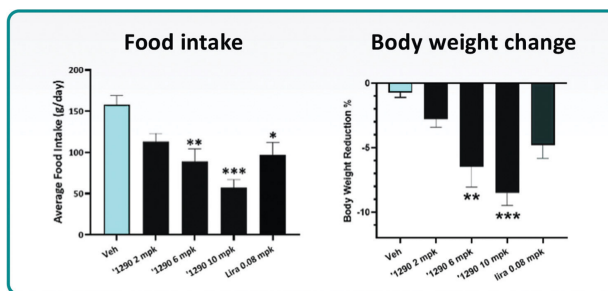
Robust activity in non-human primate acute ivGTT studies



Data were presented as mean \pm standard error of the mean, or SEM; one-way ANOVA followed by Dunnett's multiple comparisons test. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$ vs vehicle

As shown below, in a seven day repeat oral dosing study in NHPs, GSB-1290 was evaluated at once-daily oral doses of 2 mg/kg, 6 mg/kg, and 10 mg/kg and compared to placebo and liraglutide. Food intake was measured each day over the first six days of the study and reported as an average of these measurements. ivGTT and body weight were performed before dosing and on the sixth day (body weight) or seventh day (ivGTT) of post-dosing. At all doses of GSB-1290, glucose reduction was shown to be statistically significantly different versus vehicle and comparable to liraglutide. Similarly, all doses increased insulin secretion significantly except at 6 mg/kg dose, which only achieved statistical p value at 0.055 due to a slightly greater data variability. At 6 mg/kg and 10 mg/kg, a statistically significant reduction of average food intake measured over the first six days of the study compared to vehicle was observed. At 10 mg/kg of GSB-1290, the average food intake from Day 1 to Day 6 was only 59% relative to liraglutide group. GSB-1290 at 6 mg/kg and 10 mg/kg also showed a significant decrease in body weight relative to placebo and surpassed liraglutide, with the highest dose of GSB-1290 achieving more than eight percent reduction in average body weight versus baseline in one week.

Seven day repeat oral dosing study in non-human primates



Data were presented as mean \pm SEM; one-way ANOVA followed by Dunnett's multiple comparisons test.
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$ vs vehicle

In the description of our clinical trials and preclinical studies below and elsewhere in this prospectus, n represents the number of participants in a particular group and p or p -values represent the probability that random chance caused the result (e.g., a p -value of 0.01 means that there is a 0.1% probability that the difference between the placebo group and the treatment group is purely due to random chance). A p -value of less than or equal to 0.05 is a commonly used criterion for statistical significance, and may be supportive of a finding of efficacy by regulatory authorities.

GSBR-1290 was demonstrated to be generally well tolerated based on its 28-day GLP toxicology studies with no-observed-adverse-effect level, or NOAEL, dose at 1000 mg/kg/day in rats. The estimated therapeutic window is more than 1000-fold based in rats based on its 28-day GLP toxicology studies.

In addition, we conducted a preclinical comparison study of GSB-1290 and PF-06882961, a clinical stage compound in development by Pfizer. Unlike GSB-1290, PF-06882961 is a partially biased GLP-1R agonist, which could lead to de-sensitization of the receptor *in vivo*. In an experiment conducted in-house, GSB-1290 demonstrated comparable *in vivo* activity to PF-06882961 at a lower exposure. In the acute ivGTT studies, GSB-1290 achieved similar activity to liraglutide at average concentration around 34 nanomolar, or nM, (0.05 mg intravenous), comparing to a similar activity achieved by PF-06882961 in an in-house experiment at an average concentration around 442 nM (0.3 mg intravenous). This suggests that the concentration needed to achieve full activity for GSB-1290 is at a level much lower than that for PF-06882961. PF-06882961 has been studied in SAD and MAD studies with a maximum dose of 200 mg/BID to achieve maximum HbA1c activity and weight management.

In-house data showed that PF-06882961 was positive in a glutathione trapping assay. GSB-1290 was inactive in this assay, suggesting reduced risks with long-term use. In addition, GSB-1290 also did not show activity as a time dependent inhibitor, or TDI, for cytochrome P450 3A4, or CYP3A4. PF-06882961 was reported as a CYP3A4 TDI, which, if confirmed in clinical trials, suggests the potential for interactions with the 30–50% of marketed drugs metabolized through this pathway.

Phase 1 Healthy Volunteer Trial

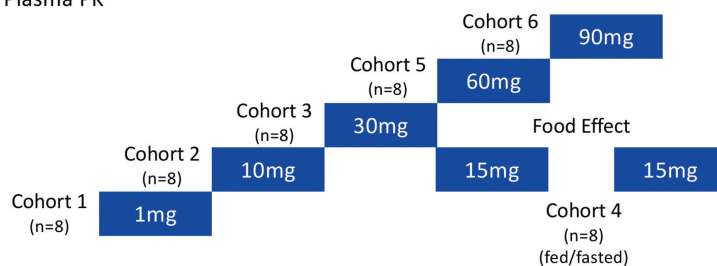
In September 2022, we completed a first-in-human Phase 1 SAD study for GSB-1290 in 48 healthy adult volunteers between the ages of 18 and 55. The objective was to assess drug safety, tolerability and PK. The study enrolled six cohorts of eight participants assigned to receive a single dose of GSB-1290 or placebo in a 3:1 ratio. Doses ranged from 1 mg to 90 mg across the six cohorts. The fourth cohort received 15 mg administered either under a fed condition, which consisted of a standardized high fat breakfast, and under a fasted condition, in each case to characterize the effect of food on the PK of GSB-1290. A schema of our Phase 1 SAD study is presented below:

Schema of our GSB-1290 Phase 1 SAD study in healthy volunteers

Single Ascending Dose (n=48)

Healthy Male/Female, 18-55 yrs

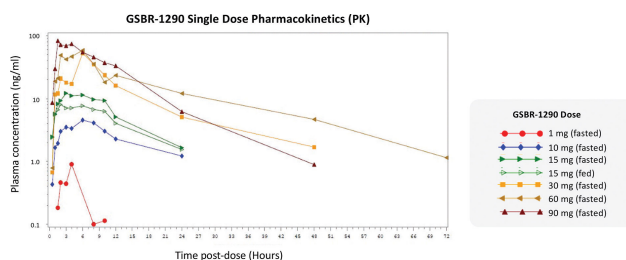
Plasma PK



Phase 1 PK and PD Data in Healthy Volunteers

In the study, PK parameters of systemic exposure, C_{max} and AUC, increased with doses of GSB-1290 across the dose range from 1 mg to 90 mg GSB-1290. GSB-1290 exhibited supra dose proportionality from 1 mg to 30 mg followed by less than dose-proportional from 30 mg to 90 mg.

The 30mg dose AUC provided more than double the effective AUC_{0-24h} required for glycemic control, derived from non-human primate PK/PD data. Food intake (high fat meal) was associated with a ~36% decrease in the geometric mean C_{max} but no significant change in mean AUC value, with 80% relative bioavailability, based on AUC compared with the fasted state.



Phase 1 Safety Data in Healthy Volunteers

GSB-1290 was shown to be generally well tolerated at all dose levels administered in this Phase 1 SAD study.

No SAEs and no adverse changes in laboratory tests (including hematology, chemistry and coagulation) were observed. No trial stopping criteria were met. AEs did not result in any early terminations or subject discontinuations from participation in this study.

Treatment-emergent AEs, or TEAEs, were reported for 32 of 36 participants (89%) following fasted administration of GSB-1290 and for 7 of 12 participants (58%) following administration of placebo, with a total of 109 TEAEs.

Following administration of GSB-1290 in the fasted state, most TEAEs were classified as mild (69 of 109, or 63% of all TEAEs) in severity, with 34 TEAEs (31% of all TEAEs) classified as moderate in severity. Six TEAEs

(6%) were classified as severe, including four events of vomiting, one event of nausea and one event of catheter site infection. There was an apparent dose-related trend in the severity of TEAEs following single doses of GSK-1290, with severe TEAEs reported following the 60 mg and 90 mg doses of GSK-1290, but not following low doses (1 mg, 10 mg, 15 mg). Occurrences in TEAEs of moderate intensity were also higher following higher dose range of GSK-1290.

The following table shows an overall summary of TEAEs that were reported in the study.

Dose (n)	Single Ascending Dose (SAD) Number (%) of Participants with TEAEs							
	Placebo (n=12)	1 mg (n=6)	10 mg (n=6)	15 mg (n=6)	15 mg Fed (n=6)	30 mg (n=6)	60 mg (n=6)	90mg (n=6)
Subjects with TEAEs	7 (58.3)	5 (83.3)	5 (83.3)	4 (66.6)	5 (83.3)	6 (100)	6 (100)	6 (100)
Mild	6 (50)	2 (33)	5 (83)	4 (66.6)	4 (66.6)	6 (100)	4 (66.6)	5 (83.3)
Moderate	3 (25)	3 (50.0)	2 (33.3)	1 (16.6)	2 (33.3)	3 (50.0)	4 (66.6)	5 (83.3)
Severe	1 (8.3)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	1 (16.6)	3 (50.0)
Serious (SAEs)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
Discontinued due to AEs	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)

Low dose GSK-1290 includes 1 mg, 10 mg and 15 mg fasted and high dose GSK-1290 includes 30 mg, 60 mg and 90 mg fasted.

If a participant had multiple occurrences of a TEAE, the participant was presented only once in the Participant count for a given Preferred Term. Occurrences were counted each time.

There was no notable difference in the overall incidence or severity of treatment-related AEs under fasted and fed administration of GSK-1290 at a dose level of 15 mg. There was a higher incidence of related TEAEs of vomiting and headache following fasted administration (three of six participants, or 50%) compared to fed administration (one of six participants, or 17%).

The most common TEAEs reported in at least four of 36 participants (>10%) who received GSK-1290 were nausea, headache, vomiting, dehydration, decreased appetite, dizziness, and diarrhea.

Across the various dose levels, there were apparent dose-related trends in the overall incidence of common TEAEs. The incidence of the TEAEs described above was notably higher following fasted administration of the high dose GSK-1290 treatments (30 mg, 60 mg, 90 mg) than the low dose GSK-1290 treatments (1 mg, 10 mg, 15 mg) and placebo, with a similar observation in treatment-related AEs of nausea, vomiting, dehydration, and headache of at least moderate severity.

We believe all TEAEs observed during the study are in line with the proposed treatment mechanism and typically derive from impacts on appetite, nausea, and vomiting. There was an apparent increasing trend in heart rate over time in both low (1 mg, 10 mg, 15 mg) and high dose (30 mg, 60 mg, 90 mg) GSK-1290 groups. This increase appeared to peak at 12 hours post-dose and was notably larger in the high dose GSK-1290 groups. Increases in heart rate over time were observed in the pooled placebo group but to a much lesser extent.

In summary, GSK-1290 was shown to be generally well tolerated when administered as a single dose of up to 90 mg. However, there were dose-related trends in the incidence, severity and causality of TEAEs, particularly GI related TEAEs, consistent with what has been previously reported in clinical trials involving the GLP-1RA class of drugs. There were no treatment-related AEs reported in patients who received placebo.

PK parameters of systemic exposure increased with dose of GSK-1290 across the dose range from 1 mg to 90 mg GSK-1290.

Non-clinical Safety Pharmacology and Toxicology Studies

A standard battery of nonclinical safety pharmacology studies (central nervous system, cardiovascular and respiratory) has been completed with GSB-1290 with no findings anticipated to be of clinical relevance. Genotoxicity assessments demonstrated an absence of genotoxicity potential.

In the 4-week and 13-week GLP toxicology study in rats, the NOAEL dose was considered to be 1000 mg/kg/day, the highest dose tested. In the 4-week and 13-week GLP toxicology study in NHPs, GSB-1290 showed pharmacologically related events such as inappetence and bodyweight loss, which were reversible with sufficient recovery periods. There were no GSB-1290-related deaths during the course of study and no GSB-1290-related changes in organ weights, gross and histopathology examinations at the end of the dosing and recovery periods. In the 13-week study, NHPs of both sexes in all dose groups, including in the control group, had minimal to moderate multifocal necrosis/infiltration in the liver. The root cause of these liver abnormalities was not determined, but these findings were considered unrelated to GSB-1290.

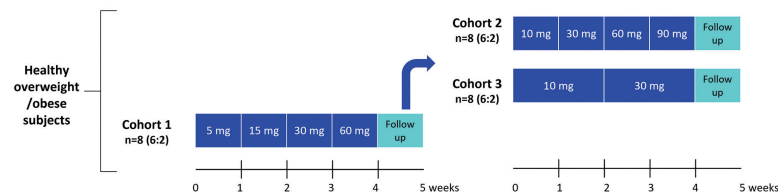
In nonclinical animal models, GSB-1290 demonstrated statistically significant decreases in blood glucose concentration and increases of insulin secretion.

We have initiated the 26-week chronic toxicology studies in rats and 39-week studies in NHP and embryofetal development studies that we believe will be required by regulatory agencies to continue dosing beyond 13 weeks in Phase 2b.

Phase 1b MAD study

We submitted an IND to the FDA to support initiation of a GSB-1290 Phase 1b MAD study and received FDA allowance in September 2022. In January 2023, we initiated the study which will enroll 24 healthy overweight or obese subjects between the ages of 18 and 55. The primary objective is to assess drug safety and tolerability. The secondary objectives are to evaluate PK and PD and determine the starting dose for titration and help define the titration scheme including the dose level and duration of steps. The study will enroll three cohorts of eight participants assigned to receive multiple ascending doses of GSB-1290 or placebo in a 6:2 ratio. Cohort 1 doses start at 5 mg daily and escalate up to 60 mg weekly over four weeks. Cohort 2 doses start at 10 mg and escalate up to 90 mg daily over four weeks. Cohort 3 doses start at 10 mg for two weeks and escalate to 30 mg for an additional two weeks. A schema of our Phase 1b MAD study is presented below:

Schema of our GSB-1290 Phase 1b MAD study in healthy overweight/obese subjects



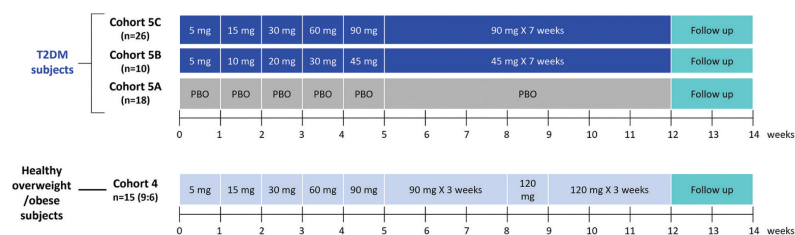
Phase 2a proof-of-concept study

Upon completion of dosing for the Phase 1b MAD study, we plan to submit a protocol amendment to initiate a Phase 2a proof-of-concept portion of the study in T2DM and healthy overweight or obese subjects and expect to report initial data in the second half of 2023. The primary objective is to assess safety and tolerability of GSB-1290 in healthy obese subjects and T2DM subjects. Secondary objectives include assessing changes in body weight, HbA1c and other PD measures in T2DM subjects as well as changes in body weight in healthy obese subjects. The exploratory objectives are to assess metabolite formation.

The Phase 2a part of the study will enroll approximately 69 subjects. Approximately, 54 T2DM subjects will be randomized in three groups to receive GSB-1290 45 mg or 90 mg or placebo. There will be a four week titration period followed by eight weeks of daily treatment at the target dose.

In addition, approximately 15 healthy overweight or obese subjects will receive GSK-1290, placebo or, after a four week titration period, GSK-1290 90 mg daily for four weeks followed by 120 mg daily for four weeks. We also anticipate initiating a Phase 2b study in the first half of 2024, subject to favorable results in the Phase 2a study. A schema of our Phase 2a proof-of-concept study is presented below:

Schema of our GSK-1290 Phase 2a proof-of-concept study in T2DM and healthy overweight/obese subjects



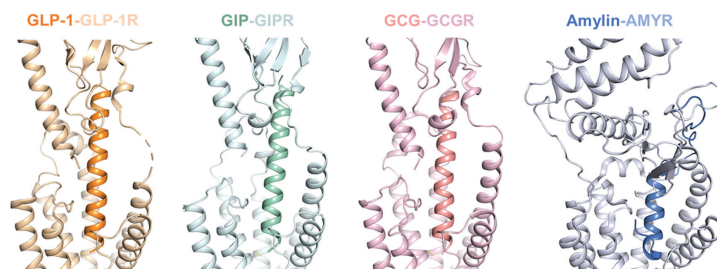
Next Generation GLP-1R Program

In our next generation GLP-1R program, we have identified hits for small molecule dual GLP-1R/GIPR modulation and we are planning to select a development candidate in 2024. We believe GLP-1R/GIPR modulation has the potential to provide a differentiated treatment in diabetes and obesity.

Recent third-party clinical data showed tirzepatide, a GLP-1R/GIPR modulator, was superior to semaglutide with respect to glycemic control. The glycated hemoglobin level target of less than 5.7% (normoglycemia) was met in 27 to 46% of the T2DM patients who received tirzepatide compared to 19% of those who received semaglutide. The body weight reduction and gastrointestinal related side effects were similar to the GLP-1R agonists. In addition, many patients who received tirzepatide were noted to have improved biomarkers of insulin sensitivity.

We have obtained both GIP and tirzepatide bound GIPR structures along with GLP-1R structures to guide our small molecular design.

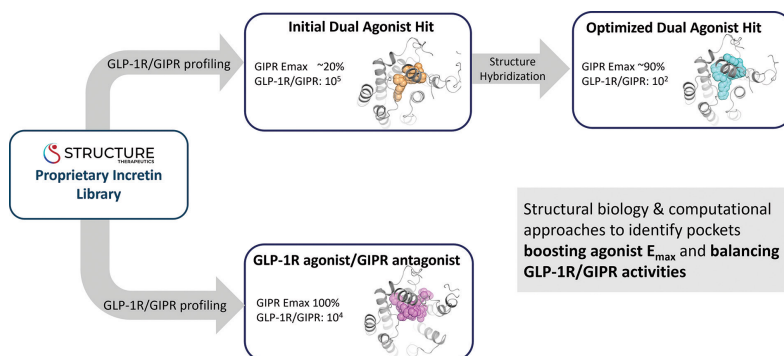
Multiple Structures of ligand bound GLP-1R, GIPR, GCGR



As shown above, representative three-dimensional structures of the incretin GPCRs (e.g., GIPR, GLP-1R, Glucagon receptor) are available for structure-based drug discovery. This structural data enables the ability to design dual and tri modulators of this important class of metabolic GPCRs. The GIPR model shown below suggests that one of our dual GLP-1/GIPR agonists may extend to fill the pocket (highlighted in color) occupied by our GLP-1/GIPR agonist hits. Multiple approaches were applied for hit identification, including a screen

of our proprietary incretin compound library. Weak antagonists and agonists were identified. After several rounds of structure activity relationship evolution, a full potential GLP-1R/GIPR antagonist and initial dual GLP-1R/GIPR agonist hit leading to the discovery of an optimized dual GLP-1R/GIPR agonist hit. While displaying different GIPR activity, both compounds still maintained certain levels of GLP-1R activities.

Next generation dual incretin GLP-1R/GIPR agonist hits identified



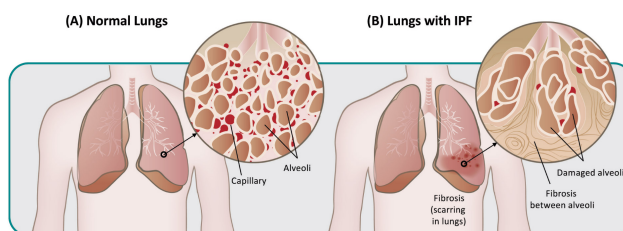
Our LPA1R and APJR Program for the Treatment of IPF

We are developing LTSE-2578, an investigational oral small molecule LPA1R antagonist for the treatment of IPF. We believe LTSE-2578 is a differentiated molecule because it demonstrated potent in vitro and in vivo activity in preclinical IPF models and dose dependent inhibition of histamine release as the pharmacodynamic marker. In addition, we are developing ANPA-0073, an investigational oral small molecule APJR agonist, for the treatment of IPF. When compared to a non-biased APJR agonist (Apelin-12) in a preclinical study, ANPA-0073 avoided hypotension. In September 2022, we completed a Phase 1 SAD and MAD study evaluating ANPA-0073, in which it was generally well tolerated in healthy human volunteers. We expect to conduct additional preclinical studies to be followed by a Phase 1 formulation bridging PK study in Australia. We also plan to initiate a Phase 2 study in 2024 in the United States.

IPF Disease Background

IPF is a life-threatening chronic interstitial lung disease characterized by progressive fibrosis of lung tissue leading to impaired blood oxygenation, progressive deterioration in lung function, and ultimately respiratory failure. IPF occurs primarily among patients between the ages of 50 and 70 years and is associated with high mortality, with median survival time between three- and five-years following diagnosis. Estimated prevalence of IPF is 13 to 20 per 100,000 people worldwide. In the United States, approximately 100,000 people are affected, and 30,000 to 40,000 new cases are diagnosed each year.

Normal lungs (A) and lungs with IPF (B)



The etiology of IPF remains unknown. IPF is a progressive disease, beginning with inflammation followed by fibrotic buildup as damaged epithelial cells surrounding the alveoli are replaced by fibroblasts, as shown above. Buildup of fibroblasts cause the lungs to thicken over time, becoming stiff and unable to properly function. In addition to complications from the disease itself, IPF can lead to other severe co-morbidities, including lung cancer, pulmonary embolisms, pneumonia or PH.

The most common symptoms of IPF are shortness of breath, persistent cough, fatigue, and weight loss, severely impacting quality of life. Given the non-specific nature of these symptoms, IPF is challenging to diagnose, particularly in the early stages of disease.

Current Treatments for IPF and Unmet Medical Need

Currently, there are two FDA-approved drugs for the treatment of IPF, Esbriet (pirfenidone) and Ofev (nintedanib).

Pirfenidone exhibits anti-fibrotic, anti-inflammatory and antioxidant properties through down-regulation of key pro-fibrotic growth factors including TGF- β , inhibition of inflammatory cytokines production and release and reduction of lipid peroxidation and oxidative stress. In Phase 3 trials, pirfenidone slowed disease progression and functional decline in patients with IPF and showed a reduced risk of mortality. Common adverse effects of pirfenidone include gastrointestinal intolerance such as nausea, diarrhea and dyspepsia and skin reactions, including rash and photosensitivity.

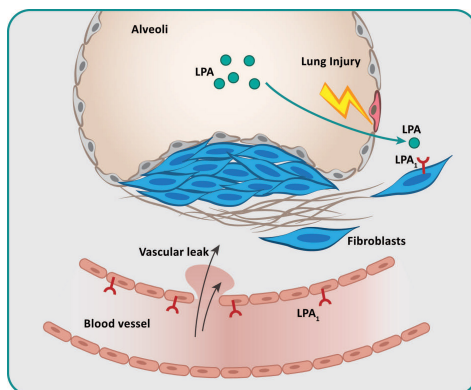
Nintedanib is an intracellular inhibitor that targets multiple tyrosine kinase growth factor receptors (vascular endothelial growth factor receptors 1-3, fibroblast growth factor receptors 1-3, and platelet-derived growth factor receptors α and β). By inhibiting these receptors, nintedanib interferes with processes implicated in IPF pathogenesis, including proliferation and migration of lung fibroblasts, and differentiation of fibroblasts to myofibroblasts. Nintedanib may also have a mortality benefit. Its most frequent side effects are diarrhea and nausea.

Both drugs are recommended by the most recent treatment guidelines from 2015. These therapeutics slow disease progression, but do not offer a cure. The two-year mortality rate is 36% and 39% after treatment of nintedanib and pirfenidone respectively. Safety and tolerability concerns, which resulted in a 20% to 30% discontinuation rate due to side effects, limit therapeutic usage and there remains an unmet medical need for IPF patients. Despite these limitations, these two drugs have generated total sales of \$3.6 billion in 2020.

Overview of LPA1R Pathway and Target Biology

Lysophosphatidic acid, or LPA, is a bioactive lipid which exerts potent extracellular signaling through its interaction with several GPCRs, mediating important cellular responses, such as proliferation, migration, and cytoskeletal reorganization.

LPA/LPA1R in IPF pathogenesis

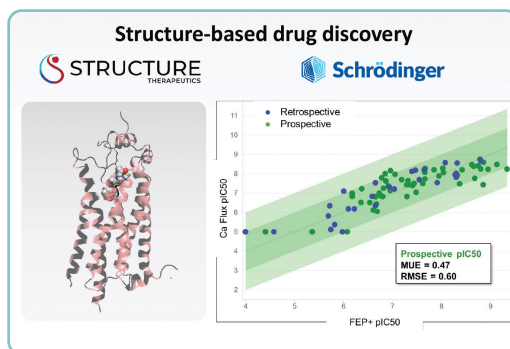


As shown above, upon injury to certain cells in the lung, LPA levels increase and activate LPA1R. In published third-party preclinical studies, LPA1R activation promoted pro-fibrotic processes, including accumulation of fibroblasts; genetic or PD inhibition of LPA1R attenuated bleomycin induced lung fibrosis by mediating fibroblast recruitment and vascular leak.

We believe that LPA1R has been clinically validated as a potential target based on proof-of-concept data from a third-party, randomized, double blind, placebo-controlled Phase 2 trial of an LPA1R antagonist (BMS-986020) in patients with IPF. Patients in the 600mg BID cohort exhibited significantly slower rates of forced vital capacity decline from baseline to 26 weeks versus placebo. Although the compound was generally well tolerated, dose-related hepatobiliary toxicity in some patients led to early termination of the trial. After conducting additional toxicology investigations, BMS reported that hepatobiliary toxicity was likely caused by inhibition of bile acids efflux transporters such as Bile Salt Export Pump, or BSEP. Second generation LPA1R antagonists (BMS-986278) with minimal BSEP inhibition by BMS are currently in clinical development.

As illustrated below, we utilized the available protein structural information to collaborate with Schrödinger. After validation and customization with an initial set of compounds for retrospective analysis, Schrödinger's FEP was utilized and suggested potency in the prospective analysis. This customized model greatly expedited the iterative lead optimization process and helped us to achieve candidate selection efficiently.

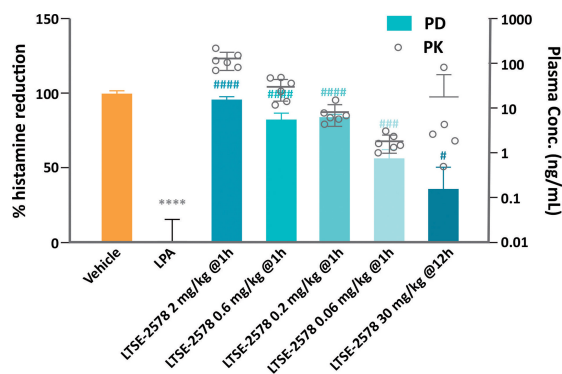
Iterative LPA1R Structure-Based Drug Discovery



Preclinical Data

In an *in vivo* PK and PD study, mice were orally dosed with LTSE-2578 and challenged by LPA at one hour and at 12 hours after dosing. Plasma was collected at two minutes post-LPA challenge and histamine level was measured as a pharmacodynamics biomarker. As shown below, LTSE-2578 demonstrated reductions in histamine release at doses ≥ 0.06 mg/kg, as compared to approximately 45 ng/mL and approximately 201 ng/mL for BMS's first generation (BMS-986020) and second generation (BMS-986278) LPA1R antagonists, respectively.

LTSE-2578 demonstrated dose dependent inhibition of histamine release



**** $P < 0.0001$ vs Vehicle, t-test;
$P < 0.05$, ### $P < 0.001$, #### $P < 0.0001$ vs LPA, one-way ANOVA followed by Dunnett test

LTSE-2578 showed limited inhibition ($IC_{50} > 50 \mu M$) of efflux transporters including BSEP, MRP3 and MRP4, potentially reducing the likelihood of hepatobiliary toxicity caused by efflux transporter inhibition. IND-enabling studies of LTSE-2578 are ongoing with data expected in the second half of 2023.

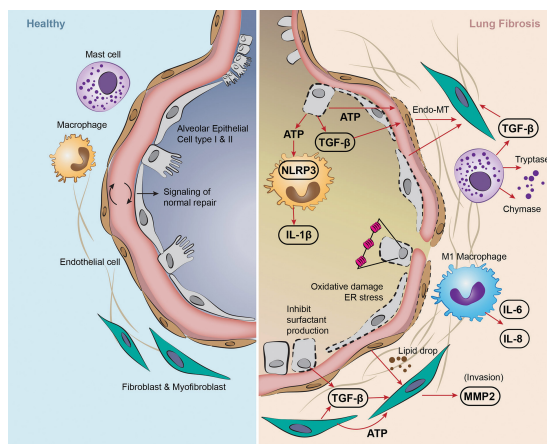
Overview of APJR Pathway and Target Biology

The apelinergic system plays a key role in the maintenance of vascular health and function through regulation of fibrosis, cell proliferation and inflammation. APJR is highly expressed in the pulmonary vascular

endothelium and is upregulated on endothelial cells in IPF patients. Further, activation of the apelinergic system through APJR has been shown to protect endothelial cell survival, and is critical for regeneration of the small capillary blood vessels. These findings support the possibility that an APJR agonist may play a beneficial role in interstitial lung disease.

Apelin binding to APJR activates G-protein second messenger signaling and leads to reduced production of cyclic adenosine monophosphate, or cAMP. Apelin binding to APJR also initiates a feedback loop that eventually downregulates apelin-APJR signaling by recruitment of β -arrestin and subsequent internalization of APJR. In addition, recruitment of β -arrestin triggers downstream pathways that induce vasorelaxation and cardiomyocyte hypertrophy. Therefore, the degree of activation by designed ligands of G-protein and β -arrestin signaling pathway may lead to both therapeutic benefit and undesirable effects.

Importance of endothelial cells on pulmonary fibrosis



As shown above, while epithelial cell damage and the inflammatory response are known contributors to fibrosis, recent studies have highlighted the importance of endothelial cells on pulmonary fibrosis. Microvascular injuries are observed in patients with pulmonary fibrosis. Persistent vascular leak may support a pro-inflammatory and pro-fibrotic environment. Endothelial senescence is found in the lung of IPF patients. Senescent endothelial cells could secrete factors that directly stimulate fibroblast activation. Targeting apelin pathway may promote capillary regeneration, ameliorate the inflammatory environment, and reduce endothelial senescence, in this way reducing lung fibrosis. Since an APJR agonist mainly targets endothelial cells, we believe it could be easily combined with the current standard of care, pirfenidone and nintedanib, which do not target the anti-fibrosis pathway from endothelial cells.

ANPA-0073

We are developing ANPA-0073, an investigational, oral, small molecule APJR agonist, for the treatment of IPF. ANPA-0073 is designed to suppress cAMP production through activation of a G-protein-mediated signaling without significant activation of the β -arrestin pathway in order to avoid APJ internalization, and thereby potentially avoid any desensitization effects of an unbiased APJR agonist. We conducted preclinical *in vitro* studies on our compounds and third-party compounds to assess arrestin signaling and internalization. As shown below, apelin peptide and clinically tested competitor compounds including AMG-986 and BMS-986224 are all non-biased APJR agonists in these *in vitro* studies, with low β -arrestin/cAMP and internalization/cAMP ratios. Our molecules, such as ANPA-0073 and ANPA-137, are designed to be biased with much higher β -arrestin/cAMP and internalization/cAMP ratios than apelin peptide and the competitor compounds shown below.

APJR biased agonism is a potential differentiator for ANPA-0073

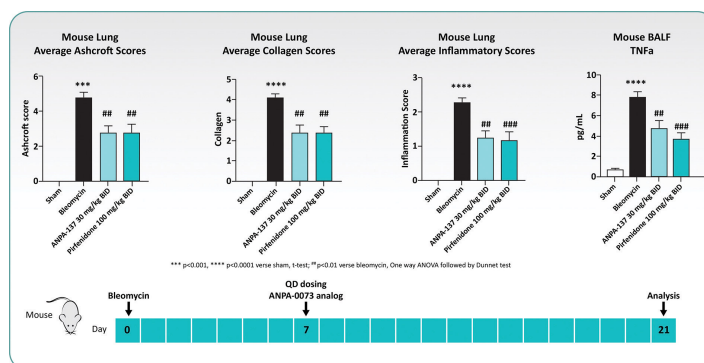
COMPOUND ID	BIASED SELECTIVITY	
	β -ARRESTIN	
	SIGNALING/cAMP	INTERNALIZATION/cAMP
Apelin Peptide	1.33	1.47
AMG-986	0.86	1.00
BMS-986224	4.48	1.94
ANPA-0073	18.02	3074
ANPA-137	28.20	1411

Preclinical Data

In an *in vitro* study, ANPA-0073 demonstrated high potency in suppressing cAMP production through the G-protein-mediated signaling pathway with a half maximal excitatory concentration (EC50) value of less than 10 nM (n=15), but less potency in triggering the β -arrestin pathway and APJR internalization respectively. These data suggest ANPA-0073 is highly biased. The G-protein agonist potency of ANPA-0073 was similar across different species (rat, dog and monkey).

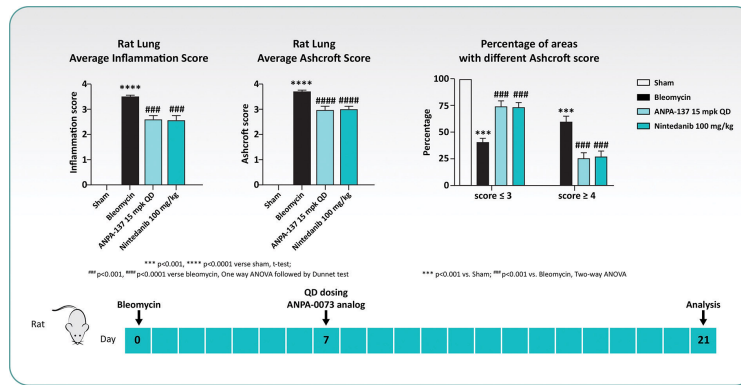
Anti-fibrosis effect of an APJ agonist ANPA-0137 was evaluated in bleomycin induced lung fibrosis model. Seven days after bleomycin challenges, mice received oral ANPA-137 for two weeks. ANPA-137 significantly reduced lung fibrosis Ashcroft scores and inflammatory cells infiltration into lung as quantified by inflammatory score as shown below.

APJR agonist demonstrated anti-fibrosis efficacy in therapeutic IPF mouse model



Furthermore, ANPA-137 also demonstrated anti-fibrotic activity in an *in vivo* bleomycin-induced rat lung fibrosis model. Similar to mouse bleomycin study design, seven days after bleomycin challenges, rats received 15 mpk of oral ANPA-137 for two weeks. ANPA-137 significantly reduced lung fibrosis as quantified by Ashcroft score as shown below.

APJR agonist demonstrated anti-fibrosis efficacy in therapeutic IPF rat model



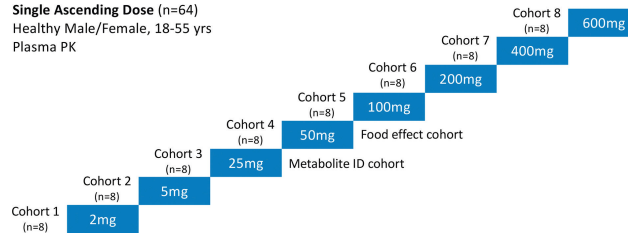
Phase 1 Healthy Volunteer Trial Design

In September 2022, we completed a two-part, 96 subject, first-in-human Phase 1 SAD and MAD study for ANPA-0073 in 48 healthy adult volunteers between the ages of 18 and 55. The objective was to assess drug safety and PK. The first part of this study was a SAD study, involving eight cohorts of eight participants assigned to receive a single dose of ANPA-0073 or placebo in a 3:1 ratio. Doses from 2 mg to 600 mg across the eight cohorts were evaluated. The second part of the trial was a MAD study, including four cohorts of eight subjects receiving sequential ascending doses of ANPA-0073 daily for seven days, increasing from 75 mg to 500 mg once daily. A schema of our Phase 1 study is presented below:

Schema of our ANPA-0073 Phase 1 study in healthy volunteers

ANPA-0073-01 Part A SAD Schema

Single Ascending Dose (n=64)
 Healthy Male/Female, 18-55 yrs
 Plasma PK

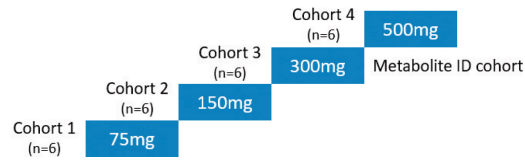


ANPA-0073-01 Part B MAD Schema**Multiple Ascending Dose** (n=24 active, n=8 placebo)

Healthy Male/Female, 18-55 yrs

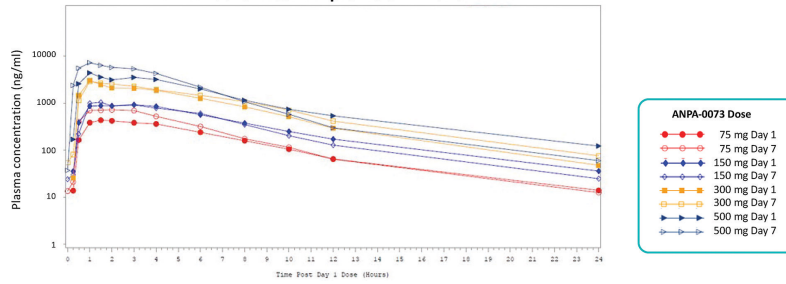
7-day treatment

Plasma PK

**Phase 1 Safety Data in Healthy Volunteers**

ANPA-0073 was generally well tolerated at all dose levels administered in the SAD and MAD parts of this Phase 1 study.

In the study, PK parameters of systemic exposure, C_{max} and AUC, increased with doses of ANPA-0073 across the dose range from 75 mg to 500 mg.

ANPA-0073 Mean PK profile on D1 and D7

In the SAD cohorts, no SAEs and no adverse changes in laboratory tests were observed. Among the AEs reported, five were considered moderate treatment emergent adverse events and the remaining were mild in severity. AEs did not result in any early terminations or subject discontinuations from participation in this study. No trial stopping criteria were met and no significant changes or trends in hematology, blood chemistries, vital signs or electrocardiogram, or ECG, measurements were noted. The following table shows all TEAEs that were reported:

ANPA-0073 Phase 1 SAD Treatment Emergent Adverse Events

Dose (n)	Single Ascending Dose (SAD)									
	Number (%) of Participants with TEAEs									
	Placebo (n=16)	2 mg (n=6)	5 mg (n=6)	25 mg (n=6)	50 mg (n=6)	50 mg Fed (n=6)	100 mg (n=6)	200 mg (n=6)	400mg (n=6)	600mg (n=6)
Subjects with TEAEs	5 (31.3)	2 (33.3)	0 (0.0)	3 (50.0)	2 (33.3)	2 (33.3)	0 (0.0)	0 (0.0)	1 (16.7)	3 (50.0)
Mild	2 (12.5)	0 (0.0)	0 (0.0)	3 (50.0)	2 (33.3)	2 (33.3)	0 (0.0)	0 (0.0)	1 (16.7)	2 (33.3)
Moderate	3 (18.8)	2 (33.3)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	1 (16.7)
Severe	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
Serious (SAEs)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
Discontinued due to AEs	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)

Key: PBO = placebo, TEAE = treatment emergent adverse event, SAE = serious adverse event, Source: Table 14.3.1.1, 14.3.1.3, and 14.3.1.7 from the SAD clinical study report. If a participant had multiple occurrences of a TEAE, the participant was presented only once in the Participant count for a given Preferred Term. Occurrences were counted each time.

In the MAD portion of the Phase 1 study, no SAEs and no adverse changes in laboratory tests were observed. Among the AEs reported, twelve were considered moderate TEAEs and the remaining were mild in severity. AEs did not result in any early terminations or subject discontinuations from participation in this study. No trial stopping criteria were met and no significant changes or trends in hematology, blood chemistries, vital signs, or ECG measurements were noted. The following table shows all TEAEs that were reported:

ANPA-0073 Phase 1 MAD Treatment Emergent Adverse Events

Dose (n)	Multiple Ascending Dose (MAD)				
	Number (%) of Participants with TEAEs				
	Placebo (n=8)	75mg (n=6)	150mg (n=6)	300mg (n=6)	500mg (n=6)
Subjects with TEAEs	4 (66.7)	4 (66.7)	4 (66.7)	2 (33.3)	3 (50.0)
Mild	2 (25.0)	3 (50.0)	3 (50.0)	2 (33.3)	1 (16.7)
Moderate	2 (25.0)	1 (16.7)	1 (16.7)	0 (0.0)	2 (33.3)
Severe	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
Serious (SAEs)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
Discontinued due to AEs	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)

A Phase I, Open-label Study to Evaluate the Relative Bioavailability of ANPA-0073 Capsule versus Tablet

We are planning to conduct a Phase 1 study to evaluate the relative oral bioavailability of two formulations of ANPA-0073 (tablet and capsule) using a 2-period, 2-sequence, 2-way crossover design. We expect this study to be an open-label study in 16 healthy male and female volunteers, aged 18 to 55 in Australia. After screening, we plan for subjects to be confined in the clinical unit from Day-1 to Day 10, and that each study subject will be enrolled and randomized into one of two treatment arms (n=8 per arm). Capsule and tablet formulations of ANPA-0073 will be administered as a single 200 mg (2 x 100 mg) dose in a fasted manner in two separate treatment periods: Day 1 (Period 1) and Day 7 (Period 2). We expect the sequence of administration (capsule → tablet vs. tablet → capsule) will differ between each treatment arm and that each treatment period will be separated by a 6-day washout interval.

Our APJR Program for the Treatment of PAH

We are evaluating ANPA-0073 for the treatment of PAH. Despite existing treatment options for PAH, five-year mortality remains high. In a third-party clinical proof-of-concept study an acute infusion of an apelin agonist intravenously was shown to improve cardiac output. In our preclinical rat models, ANPA-0073 has shown increased cardiac output and mitigated the vascular remodeling that is characteristic of PAH. We believe that oral ANPA-0073 has the potential to provide therapeutic benefit through its novel mechanism of action, infrequent dosing, and lack of stringent administration requirements.

PAH Overview

PAH Background

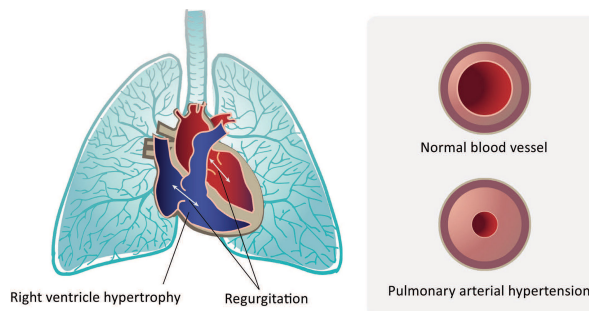
Pulmonary hypertension, or PH, is a group of diseases characterized by remodeling of the pulmonary vasculature that leads to a progressive elevation of blood pressure in the pulmonary circulation from a variety of causes. The World Health Organization, or WHO, has divided PH into five groups based on similarities in pathophysiology, clinical presentation, and therapeutic options as shown below.

WHO classification of pulmonary hypertension

- | | |
|---|--|
| 1 | Pulmonary arterial hypertension |
| 2 | Pulmonary hypertension secondary to left heart disease |
| 3 | Pulmonary hypertension from chronic lung diseases and/or hypoxia |
| 4 | Pulmonary hypertension due to pulmonary artery obstruction |
| 5 | Pulmonary hypertension from unexplained or multifactorial mechanisms |

PAH is a rare, progressive life-threatening disease characterized by elevated pressures in the pulmonary arteries, the blood vessels responsible for carrying deoxygenated blood from the heart to the lungs. This increase in pressure results from disordered proliferation of endothelial cells lining the lumen of pulmonary arteries, which causes a narrowing in blood vessel diameter and a consequent slowing of blood flow to the lungs. Over time, recruitment of inflammatory cells and cytokines stimulates fibrosis and further blood vessel remodeling, ultimately causing severe restrictions in blood flow. To overcome increased pulmonary arterial pressures, the right side of the heart must work harder in order to circulate blood through the lungs, causing excessive strain on the right ventricle. Left untreated, this leads to right ventricular hypertrophy and ultimately right heart failure, which can present with symptoms such as breathlessness, fatigue, chest pain, and abdominal distension.

Right ventricular hypertrophy and pulmonary arterial hypertension



As shown in the schematic of PAH pathology above, increased pulmonary vascular resistance is caused by cell proliferation in the pulmonary vessels that obstructs blood flow. Ultimately, this disease leads to right heart failure, resulting eventually in death. Therefore, treatments that can increase right heart contractility may have benefit.

In addition to the above classification based on physiologic mechanisms of PH, the WHO has also developed a functional classification of PH patients, including those with PAH, as shown below. Four functional classes categorize patient symptom severity and ability to carry out physical activity. Higher numbered functional classes indicate worsening symptoms and are associated with higher mortality. As patients in Class I are asymptomatic and generally not diagnosed and also cannot show clinical improvement, patients in Classes II–IV are generally studied in clinical trials of new therapeutic agents.

WHO functional classification of pulmonary hypertension

WHO CLASS	DESCRIPTION
Class I	Patients with pulmonary hypertension but without resulting limitation of physical activity. Ordinary physical activity does not cause undue dyspnea or fatigue, chest pain or near syncope.
Class II	Patients with pulmonary hypertension resulting in a slight limitation of physical activity. They are comfortable at rest. Ordinary physical activity causes undue dyspnea or fatigue, chest pain or near syncope.
Class III	Patients with pulmonary hypertension but without resulting limitation of physical activity. Ordinary physical activity does not cause undue dyspnea or fatigue, chest pain or near syncope.
Class IV	Patients with pulmonary hypertension with inability to carry out any physical activity without symptoms. These patients manifest signs of right heart failure. Dyspnea and/or fatigue may even be present at rest. Discomfort is increased by any physical activity.

Prevalence of PAH and Unmet Medical Need

It is estimated that between 40,000 and 100,000 patients suffer from PAH worldwide, though the actual number is likely higher given underdiagnosis in developing countries. In the United States, the prevalence of PAH is 12 to 30 per million, and incidence is approximately 2.3 per million diagnosed annually.

Combined global sales for approved drugs for the treatment of PAH totaled approximately \$5.4 billion in 2020. While advances in the treatment of PAH have markedly improved median survival over the past two decades, patients still face significant disease burden and premature death. Patient survival of PAH remains poor at five years despite treatment advances and there is unmet medical need for new therapies beyond the standard of care.

Our current and future pipeline candidates could have broad applicability in other PH groups as well as more broadly in heart failure, which is estimated to affect approximately 26–64 million people worldwide.

Limitations of Current Treatments and Unmet Medical Need

The current standard of care for patients with PAH consist of three classes of vasodilators including phosphodiesterase 5, or PDE5, inhibitors, endothelin receptor antagonists, and prostanoids. PDE5 inhibitors are often used in combination with ERAs as an early treatment strategy. In patients who fail to respond to combination therapy of an ERA and a PDE5 inhibitor, it is common practice to add a prostanoid which is also commonly used to treat patients with evidence of right heart failure. While existing treatments have led to significant improvements in time to clinical worsening and other composite endpoints in PAH patients, none directly alter the underlying disease process. The effect of vasodilation, while improving blood flow through the lungs, may eventually be overtaken by the worsening cellular proliferation and arterial remodeling underlying the condition.

Accordingly, we believe there is unmet medical need for therapies that are disease modifying and address more fundamental aspects of the disease.

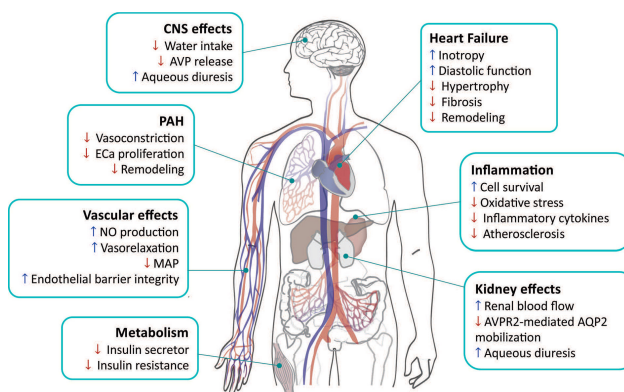
Apelin Receptor is a Clinically Validated and Highly Druggable Target

APJR is a GPCR with wide distribution throughout the human body.

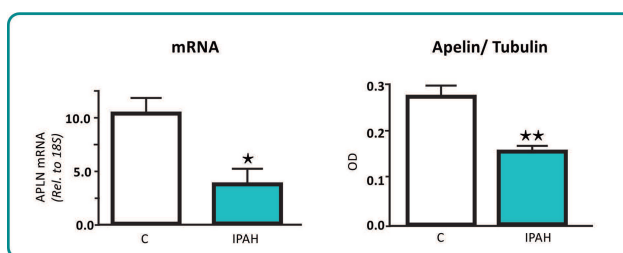
The expression patterns of apelin and APJR are consistent with their importance in cardiovascular and pulmonary diseases such as PAH. Apelin and APJR are expressed in several tissues, including those in the heart, lung, and blood vessels with expression observed in endothelial cells lining the blood vessels.

Activation of APJR pathways by its cognate peptide ligand, apelin, exerts pleiotropic effects in human biology, including inducing diverse physiological effects such as strengthening of cardiac contractility, vasodilation, angiogenesis, reducing vascular remodeling and regulation of energy metabolism and fluid homeostasis as shown below. We believe that the apelinergic signaling pathway will provide disease modifying effects in PAH through right ventricular protection and anti-pulmonary vessel remodeling.

Apelin Biology in human makes APJR an attractive target for PAH

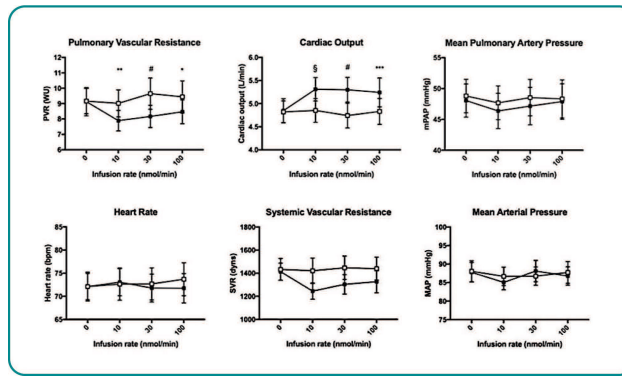


Apelin mRNA and protein levels in control and PAH lung samples



As shown above, the apelin expression level in the lung of PAH patients (IPAH) was dramatically reduced compared to the non-PAH (C) lung samples. Apelin signaling is implicated in PAH which can be induced in animal models by hypoxia, a condition which temporarily induces apelin expression.

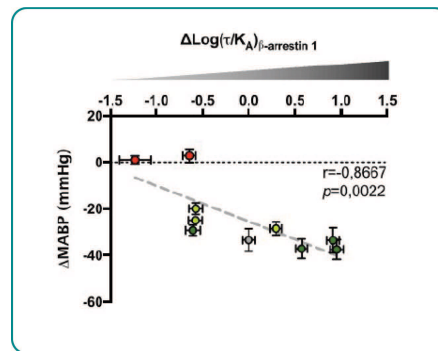
Apelin peptide reduced PVR and increased cardiac output without a change in heart rate or mean arterial pressure



As shown above, apelin has a role in cardiac function. In a published third-party clinical proof-of-concept study, intravenous infusion of apelin peptide in PAH patients provided a significant reduction in pulmonary vascular resistance and an increase in cardiac output without a change in heart rate or systemic vascular resistance. It was also observed that the effect was most prominent in the subgroup of patients receiving concomitant PDE5 inhibition.

Both biased and non-biased apelin analogs could increase cardiac contraction, while biased apelin analogs have limited effects on vasorelaxation and systemic blood pressure reduction. These suggest that the inotropic efficacy mainly signals through G-protein pathway, while β -arrestin signaling pathway correlates with hypotensive effect as shown below.

APJR agonist activity on β -arrestin recruitment and its correlation with hypotensive effect.



We believe that a biased APJR agonist as compared to a non-biased agonist has the potential to maintain long-term cardiac output and stroke volume improvement while avoiding β -arrestin related hypotensive effect and mechanical stress induced cardiac hypertrophy.

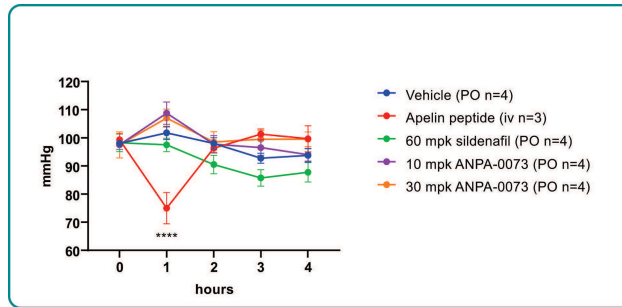
Our Solution: Small Molecule Biased APJR Agonist

As described above, we are developing ANPA-0073, a novel orally-available biased APJR agonist which is designed to suppress cAMP production through activation of a G-protein-mediated signaling without significant activation of the β -arrestin pathway in order to avoid APJR internalization.

We believe that ANPA-0073 has the potential to be a differentiated and disease-modifying therapeutic agent and it is designed to provide the following potential advantages:

- Orally-available with improved cardiac contractility, increased stroke volume and right ventricular cardiac output leading to increased survival;
- Biased agonism that avoids down regulation due to APJR internalization;
- Disease-modifying effect through decreased vascular remodeling; and
- Limited effect on systemic blood pressure, avoiding hypotension.

ANPA-0073 did not change mean arterial blood pressure in a rat telemetry study

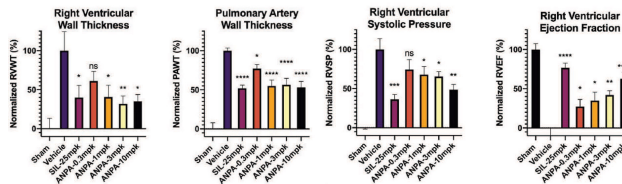


One way ANOVA analysis; **** $p < 0.0001$ compared to vehicle

As shown above, in a rat telemetry model, a non-biased apelin peptide demonstrated an acute decrease in mean arterial pressure as expected, whereas the biased molecule, ANPA-0073, did not.

ANPA-0073 has demonstrated promising activity in multiple animal models. In five different studies using monocrotaline, or MCT, induced rat models of PAH, daily oral doses of ANPA-0073 reduced right ventricular systolic pressure, right ventricular hypertrophy index, and percentage of pulmonary artery wall thickness, or PAWT, but increased right ventricular ejection fraction. As shown below, ANPA-0073 treatment resulted in reduced pulmonary artery pressure and increased cardiac function.

Treatment with sildenafil or an ANPA-0073 in an MCT rat model of PAH



One way ANOVA analysis; * $p < 0.05$, ** $p < 0.01$, **** $p < 0.0001$ compared to vehicle

In summary, in a published third-party clinical proof-of-concept study, an intravenous infusion of apelin has demonstrated increased cardiac output, especially in combination with the PAH standard of care therapy, sildenafil. In the MCT rat model of PAH, our biased apelin agonists showed increased cardiac stroke volume and cardiac output without impacting heart rate, and also mitigation of PAH-induced vascular remodeling. Together, these data suggest that an orally-available, biased apelin agonist, such as ANPA-0073, may have potential as a treatment for PAH, providing benefits differentiated from current standard of care therapies.

Intellectual Property

Our success depends in part on our ability to obtain and maintain proprietary protection for our product candidates and other discoveries, inventions, trade secrets and know-how that are critical to our business operations. Our success also depends in part on our ability to operate without infringing the proprietary rights of others, and in part on our ability to prevent others from infringing our proprietary rights. A comprehensive discussion on risks relating to intellectual property is provided under the section titled "Risk Factors—Risks Related to Our Intellectual Property."

For our GLP-1R program, as of December 31, 2022, our wholly-owned subsidiary Gasherbrum Bio, Inc., is the sole owner of one granted U.S. patent and five pending U.S. patent applications, 16 Patent Cooperation Treaty, or PCT, applications, and 42 pending foreign patent applications in Argentina, African Regional Intellectual Property Organization, or ARIPO), Australia, Brazil, Canada, Chile, the People's Republic of China, Colombia, Costa Rica, Dominican Republic, Egypt, Eurasian Patent Office, or EAPO), European Patent Office, or EPO, Guatemala, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, Panama, Peru, Philippines, Saudi Arabia, Singapore, Thailand, Taiwan, Ukraine, Vietnam, and South Africa. These patent applications, to the extent they issue (or in the case of priority applications, if issued from future non-provisional applications that we file), are expected to expire between 2041 and 2043, without accounting for potentially available patent term adjustments or extensions. These patent applications relate to compositions of matter of heterocyclic GLP-1 agonists, including GSB-1290 and its analogs, solid forms and methods of treating conditions associated with GLP-1R activity. We intend to strengthen the patent protection of our product candidates and other discoveries, inventions, trade secrets and know-how that are critical to our business operations through additional patent application filings.

For our APJR program, as of December 31, 2022, our wholly-owned subsidiary Annapurna Bio, Inc. is the sole owner of one granted U.S. patent and two pending U.S. patent applications, one Patent Cooperation Treaty, or PCT, application, and 22 pending foreign patent applications in Argentina, Australia, Brazil, Canada, the People's Republic of China, EAPO, EPO, Hong Kong, Israel, India, Japan, South Korea, Mexico, New Zealand, Singapore, Taiwan and South Africa relating to compounds and compositions of matter for treating conditions associated with Apelin receptor activity, including ANPA-0073 and its analogs, solid forms and methods of treating conditions associated with Apelin receptor activity. Any patents issuing from these patent applications (or in the case of priority applications, if issued from future non-provisional applications that we file) are expected to expire between 2039 and 2043, without accounting for potentially available patent term adjustments or extensions.

For our LPA1R program, as of December 31, 2022, our wholly-owned subsidiary Lhotse Bio, Inc. is the sole owner of four Patent Cooperation Treaty, or PCT, applications and two pending foreign patent applications in Argentina and Taiwan relating to compounds and compositions of matter for treating conditions associated with LPA receptor activity, including LTSE-2578 and their analogs, and methods of treating conditions associated with LPA receptor activity. Any patents issuing from these patent applications (or in the case of priority applications, if issued from future non-provisional applications that we file) are expected to expire between 2041 and 2043, without accounting for potentially available patent term adjustments or extensions.

In addition to patent protection, we also rely on trade secrets, know-how, trademarks, other proprietary information and continuing technological innovation to develop and maintain our competitive position. We seek to protect and maintain the confidentiality of proprietary information to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees and consultants, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. Thus, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees,

consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. However, such confidentiality agreements can be breached, and we may not have adequate remedies for any such breach. For more information regarding the risks related to our intellectual property, see the section titled "Risk Factors — Risks Related to Our Intellectual Property."

Lhotse Collaboration Agreement with Schrödinger, LLC

In October 2020, Lhotse, our wholly-owned subsidiary, entered into a collaboration agreement with Schrödinger, or the Lhotse-Schrödinger Agreement, to discover and develop novel, orally bioavailable, small molecule inhibitors of LPA1R. Under the Lhotse-Schrödinger Agreement, Schrödinger is obligated to provide computational modeling and design support, including by using its technology platform to perform virtual screens, and Lhotse is obligated to provide day-to-day chemistry and biology support. Pursuant to the Lhotse-Schrödinger Agreement, a joint steering committee comprised of representatives from both parties oversees the research performed under the agreement. During the term of the Lhotse-Schrödinger Agreement and for a specified period thereafter while Lhotse is engaged in active development of any compound having activity against LPA1R that is discovered or developed under the Lhotse-Schrödinger Agreement, Schrödinger is obligated to work exclusively with Lhotse on the design, research, development and commercialization of compounds that inhibit LPA1R. Lhotse will solely own the research results, work product, inventions and other intellectual property generated under the Lhotse-Schrödinger Agreement that are directed to LPA1R.

Under the Lhotse-Schrödinger Agreement, Lhotse is obligated to pay Schrödinger a quarterly active program payment in the low six digits for each successive three-month period during which Schrödinger continues to perform research work as agreed by the parties, and as of December 31, 2022, we have paid to Schrödinger an aggregate of \$0.8 million. If Lhotse develops and commercializes a product containing a compound, or Collaboration Compound, that is discovered or developed under the Lhotse-Schrödinger Agreement, or Collaboration Product, Lhotse is obligated to pay Schrödinger development and regulatory milestone payments of up to an aggregate of \$17.0 million, regardless of the number of Collaboration Products that reach such milestones. Lhotse will also be obligated to pay Schrödinger tiered royalties in the low single digit range on aggregate worldwide net sales of all Collaboration Products, subject to specified reductions and offsets. Lhotse's obligation to pay royalties to Schrödinger will expire on a Collaboration Product-by-Collaboration Product and country-by-country basis on the later of (i) the expiration of the last-to-expire Lhotse owned patent claim covering the composition of matter of the Collaboration Compound contained in such Collaboration Product in such country, (ii) the expiration of regulatory, pediatric, orphan drug, or data exclusivity with respect to such Collaboration Product in such country, and (iii) ten years after the first commercial sale of such Collaboration Product in such country, or Royalty Term.

Unless terminated earlier, the Lhotse-Schrödinger Agreement will continue for three years, subject to extension by mutual written agreement of the parties. Either party may terminate the Lhotse-Schrödinger Agreement for the other party's uncured material breach, subject to certain notice and cure periods, or for the other party's bankruptcy or insolvency. Lhotse's obligation to make milestone and royalty payments (subject to the Royalty Term) to Schrödinger continues after the expiration or termination of the Lhotse-Schrödinger Agreement.

Manufacturing

We do not own or operate manufacturing facilities for the production of our product candidates and currently have no immediate plans to build our own clinical or commercial scale manufacturing capabilities. We currently engage with third-party contract manufacturing organizations, or CMOs, for the manufacture of our product candidates. We rely on and expect to continue to engage third-party manufacturers for the production of both drug substance and finished drug product. We currently obtain our supplies from these manufacturers on a purchase order basis and do not have long-term supply arrangements in place. Should any of these manufacturers become unavailable to us for any reason, we believe that there are a number of potential replacements, although we may incur some delay in identifying and qualifying such replacements.

Competition

The biotechnology and pharmaceutical industries are characterized by rapid evolution of technologies, fierce competition and strong defense of intellectual property. While we believe that our platform and our knowledge, experience and scientific resources provide us with competitive advantages, we face competition from major

pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions, among others.

If any of our product candidates are approved for the indications for which we expect to conduct clinical trials, they will compete with the foregoing therapies and currently marketed drugs, as well as any drugs potentially in development. It is also possible that we will face competition from other pharmaceutical approaches as well as other types of therapies. The key competitive factors affecting the success of all our programs, if approved, are likely to be their efficacy, safety, convenience, price, level of generic competition, and availability of reimbursement.

Despite significant biopharmaceutical industry investment, no oral small molecule therapy targeting GLP-1R has been approved for the treatment of diabetes or obesity. We are aware of GLP-1R small molecules in development by Pfizer, Eli Lilly, and Qilu Regor Therapeutics Inc. There are currently approved GLP-1R peptides for the treatment of diabetes and obesity marketed by Novo Nordisk, Eli Lilly, AstraZeneca, and Sanofi. We are aware of other GLP-1R plus dual/tri incretin targeting peptides in development by Eli Lilly, Jiangsu Hansoh Pharmaceutical Group Co., Ltd., Boehringer Ingelheim, Altimmune, Inc., Carmot Therapeutics, Inc., and Sciwind Biosciences Co., Ltd. In addition, there are a number of companies developing product candidates for diabetes and obesity utilizing approaches with different mechanisms of action, including but not limited to sodium-glucose cotransporter-2 inhibitors.

We are aware of APJR targeted product candidates in development for COVID-19 acute respiratory distress syndrome by CohBar, Inc.; IPF, systemic sclerosis interstitial lung disease, and kidney nephrotic syndrome by Apie Therapeutics; and muscle atrophy by BioAge Labs, Inc. Both Amgen and Bristol Myers Squibb, or BMS, have APJR targeted product candidates for heart failure. In addition, there are a number of companies developing product candidates for PAH utilizing approaches with different mechanisms of action, including but not limited to FibroGen, Inc., Galapagos NV, Galecto, Inc., Pliant Therapeutics, Inc., Gilead Sciences, Inc., Roche Holding AG and Boehringer Ingelheim.

We are aware of LPA1R targeted product candidates in development for IPF by BMS, Horizon Therapeutics plc, and DJS Antibodies Ltd; and myelin restoration and neuroinflammation by Pipeline Therapeutics. In addition, there are a number of companies developing product candidates for IPF utilizing approaches with different mechanisms of action, including Roche Holding AG and Boehringer Ingelheim.

Many of our current or potential competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals, and marketing approved products than we do. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Mergers and acquisitions in the biopharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other applicable regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of generic products. There are generic products currently on the market for certain of the indications that we are pursuing and additional products are expected to become available on a generic basis over the coming years. If our product candidates are approved, we expect that they will be priced at a significant premium over competitive generic products.

Data Privacy and Security Laws

Numerous state, federal and foreign laws, regulations and standards govern the collection, use, access to, confidentiality and security of health-related and other personal information, and could apply now or in the future to our operations or the operations of our partners. In the United States, numerous federal and state laws

and regulations, including data breach notification laws, health information privacy and security laws and consumer protection laws and regulations govern the collection, use, disclosure, and protection of health-related and other personal information. In addition, certain foreign laws govern the privacy and security of personal data, including health-related data. For example, the European Union General Data Protection Regulation, or GDPR, imposes strict requirements for processing the personal data of individuals within the European Economic Area. Companies that must comply with the GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements and potential fines for noncompliance of up to €20 million or 4% of the annual global revenues of the noncompliant company, whichever is greater. Further, from January 1, 2021, companies have had to comply with the GDPR and also the United Kingdom GDPR, or UK GDPR, which, together with the amended UK Data Protection Act 2018, retains the GDPR in UK national law. The UK GDPR mirrors the fines under the GDPR relating to fines up to the greater of £17.5 million or 4% of global turnover. Privacy and security laws, regulations, and other obligations are constantly evolving, may conflict with each other to complicate compliance efforts, and can result in investigations, proceedings, or actions that lead to significant civil and/or criminal penalties and restrictions on data processing.

Regulation

Government Regulation of Pharmaceutical Product Development and Approval

U.S. Regulation of Pharmaceutical Product Development and Approval

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and its implementing regulations. Drugs are also subject to other federal, state and local statutes and regulations. The process of obtaining marketing approvals and the subsequent compliance with appropriate federal, state and local rules and regulations requires the expenditure of substantial time and financial resources. Our drug candidates must be approved by the FDA through the New Drug Application, or NDA, process before they may be legally marketed in the United States. The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of extensive preclinical laboratory tests, preclinical animal studies and formulation studies all performed in compliance with applicable regulations, including the FDA's GLP regulations;
- submission to the FDA of an Investigational New Drug application, or IND, which must become effective before human clinical trials may begin;
- approval by an institutional review board, or IRB, or ethics committee representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with applicable good clinical practices, or GCPs and other clinical trial-related regulations, to establish the safety and efficacy of the proposed drug product for its proposed indication;
- preparation and submission to the FDA of an NDA together with payment of user fees;
- a determination by the FDA within 60 days of its receipt of an NDA to file the NDA for review;
- review by an FDA advisory committee, where appropriate or if applicable;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities at which the active pharmaceutical ingredient, or API and finished drug product are produced to assess compliance with the FDA's current Good Manufacturing Practices, or cGMP;
- potential FDA audit of the preclinical and/or clinical trial sites that generated the data in support of the NDA; and
- FDA review and approval of the NDA prior to any commercial marketing or sale of the drug in the United States.

Preclinical Studies and Clinical Trials

The preclinical development stage generally involves synthesizing the active component, developing the formulation and determining the manufacturing process, evaluating purity and stability, as well as carrying out non-human toxicology, pharmacology and drug metabolism studies in the laboratory, which support subsequent clinical testing. The conduct of the preclinical tests must comply with federal regulations, including GLPs where applicable. The sponsor must submit the results of the preclinical tests, together with

manufacturing information, analytical data, any available clinical data or literature and a proposed clinical protocol, to the FDA as part of the IND. An IND is a request for authorization from the FDA to administer an investigational drug product to humans. The central focus of an IND submission is on the general investigational plan and the protocol(s) for human trials. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions regarding the proposed clinical trials and places the IND on clinical hold within that 30-day time period. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Some long-term preclinical testing, such as animal tests of reproductive adverse events and carcinogenicity, may continue after the IND is submitted. The FDA may also impose clinical holds on a drug candidate at any time before or during clinical trials due to safety concerns or non-compliance. Accordingly, submission of an IND does not guarantee the FDA will allow clinical trials to begin, or that, once begun, issues will not arise that could cause the trial to be suspended or terminated.

The clinical stage of development involves the administration of the drug product to human subjects or patients under the supervision of qualified investigators, generally physicians not employed by or under the trial sponsor's control, in accordance with GCPs, which establish standards for conducting, recording data from, and reporting the results of clinical trials, and are intended to assure that the rights, safety, and well-being of study participants are protected. GCPs also include the requirement that all research subjects provide their informed consent in writing for their participation in any clinical trial. Clinical trials are conducted under written study protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria, and the parameters to be used to monitor subject safety and assess efficacy. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. 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. While the IND is active and before approval, progress reports summarizing the results of the clinical trials and nonclinical studies performed since the last progress report must be submitted at least annually to the FDA, and written IND safety reports must be submitted to the FDA and investigators for serious and unexpected suspected adverse events, findings from other studies suggesting a significant risk to humans exposed to the same or similar drugs, findings from animal or in vitro testing suggesting a significant risk to humans, and any clinically important increased incidence of a serious suspected adverse reaction compared to that listed in the protocol or investigator brochure.

Further, each clinical trial must be reviewed and approved by each institution at which the clinical trial will be conducted. An IRB is charged with protecting the welfare and rights of trial participants and considers such items as whether the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits.

The IRB also reviews and approves the informed consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial until completed. Some studies also include oversight by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. Depending on its charter, this group may determine whether a trial may move forward at designated check points based on access to certain data from the trial. There are also requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries.

Clinical trials are generally conducted in three sequential phases that may overlap or be combined, known as Phase I, Phase II and Phase III clinical trials.

- **Phase I:** The drug is initially introduced into a small number of healthy volunteers or patients with the target disease or condition who are initially exposed to a single dose and then multiple doses of the drug candidate. These studies are designed to assess the metabolism, pharmacologic action, dosage tolerance, side effects associated with increasing doses, and safety of the drug, and if possible, to gain early evidence on effectiveness.
- **Phase II:** The drug is administered to a limited patient population with a specified disease or condition to evaluate optimal dosage and dosing schedule. At the same time, safety and further PK

and PD information is collected, as well as identification of possible adverse effects and safety risks and preliminary evaluation of efficacy.

- **Phase III:** The drug is administered to an expanded number of patients, generally at multiple sites that are geographically dispersed, in well-controlled clinical trials to generate enough data to demonstrate the efficacy of the drug for its intended use, its safety profile, and to establish the overall benefit/risk profile of the drug and provide an adequate basis for drug approval and labeling of the drug product.

Post-approval trials, sometimes referred to as Phase IV clinical trials, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of Phase IV clinical trials as a condition of NDA approval.

The FDA, the IRB, or the clinical trial sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects or 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. Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the drug as well as finalize a process for manufacturing the drug 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, cGMPs impose extensive procedural, substantive and recordkeeping requirements to ensure and preserve the long-term stability and quality of the final drug product. 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.

NDA Submission and FDA Review Process

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of non-clinical studies and of the clinical trials, together with other detailed information, including extensive manufacturing information and information on the composition of the drug and proposed labeling, are submitted to the FDA in the form of an NDA requesting approval to market the drug for one or more specified indications. Data can come from company-sponsored clinical studies intended to test the safety and effectiveness of a use of the product, or from a number of alternative sources, including studies initiated by independent investigators. Under the Prescription Drug User Fee Act, as amended, or PDUFA, each NDA must be accompanied by an application user fee. The FDA adjusts the PDUFA user fees on an annual basis. PDUFA also imposes an annual prescription drug program fee for human drugs. Fee waivers or reductions are available in certain circumstances, including a waiver of the application fee for the first application filed by a small business. Additionally, no user fees are assessed on NDAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

The FDA conducts a preliminary review of all NDAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an NDA for filing. In this event, the NDA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing. Once filed, the FDA has a goal of ten months from the filing date to complete a standard review of an NDA for a drug that is a new molecular entity. This review typically takes twelve months from the date the NDA is submitted to FDA because the FDA has approximately two months to make a "filing" decision after it the application is submitted. The FDA reviews the NDA to determine, among other things, whether the proposed drug is safe and effective for its intended use, and whether the drug is being manufactured in accordance with cGMP to assure and preserve the drug's identity, strength, quality and purity.

The FDA may refer applications for novel drugs or drug candidates that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA will conduct a pre-approval inspection of the manufacturing facilities for the new drug to determine whether they comply with cGMPs. The FDA will not approve the drug unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the drug within required specifications. In addition, before approving an NDA, the FDA may re-analyze clinical trial data and may also audit data from clinical trials to ensure compliance with GCP requirements.

After the FDA evaluates the application, manufacturing process and manufacturing facilities where the drug product and/or its API will be produced, it may issue an approval letter or a Complete Response Letter, or CRL. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. A CRL indicates that the review cycle of the application is complete and the application is not ready for approval. A CRL usually describes all of the specific deficiencies in the NDA identified by the FDA. The CRL may require additional clinical data and/or an additional pivotal clinical trial(s), and/or other significant, expensive and time-consuming requirements related to clinical trials, preclinical studies or manufacturing. If a CRL is issued, the applicant may either resubmit the NDA, addressing all of the deficiencies identified in the letter, or withdraw the application. Even if such data and information is submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval.

If a drug receives marketing approval, such approval will be granted for particular indications and may be significantly limited to specific diseases, dosages, or patient populations. Further, the FDA may require that certain contraindications, warnings or precautions be included in the drug labeling or may condition the approval of the NDA on other changes to the proposed labeling, development of adequate controls and specifications, or a commitment to conduct post-market testing or clinical trials and surveillance to monitor the effects of approved drugs. For example, the FDA may require so-called Phase IV testing which involves clinical trials designed to further assess a drug's safety and effectiveness and may require testing and surveillance programs to monitor the safety of approved drugs that have been commercialized. The FDA may also place other conditions on approvals including the requirement for a Risk Evaluation and Mitigation Strategy, or REMS, to ensure that the benefits of a drug or biological product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a medicine 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. Any of these limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of drugs. Drug approvals may be withdrawn for non-compliance with regulatory standards or if problems occur following initial marketing.

Pediatric Trials

Under the Pediatric Research Equity Act, an NDA or supplement thereto must contain data that are adequate to assess the safety and effectiveness of the drug product 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. A sponsor who is planning to submit a marketing application for a drug that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration must also submit an initial Pediatric Study Plan, or PSP, within sixty days of an end-of-Phase II meeting or as may be agreed between the sponsor and the FDA. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA and the sponsor must reach agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from preclinical studies, early phase clinical trials, and/or other clinical development programs.

Orphan Drug Designation and Exclusivity

Under the Orphan Drug Act, the FDA may designate a drug product as an "orphan drug" if it is intended to treat a rare disease or condition (generally meaning that it affects fewer than 200,000 individuals in the United States, or more in cases in which there is no reasonable expectation that the cost of developing and making a drug product available in the United States for treatment of the disease or condition will be recovered from sales of the product). A company must request orphan product designation before submitting an NDA. If the

request is granted, the FDA will publicly disclose the identity of the therapeutic agent and its potential use. Orphan product designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

If a product that has orphan drug designation subsequently receives the first FDA approval for a particular active ingredient for the disease for which it has such designation, the product is entitled to orphan product exclusivity, meaning that the FDA may not approve any other applications for the same product for the same indication for seven years, including a full NDA, except in certain limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the NDA application user fee.

A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. In addition, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or, as noted above, if a second applicant demonstrates that its product is clinically superior to the approved product with orphan exclusivity or the manufacturer of the approved product is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

Post-Marketing Requirements

Following approval of a new drug, the NDA sponsor and the approved drug are subject to continuing regulation by the FDA, including, among other things, monitoring and recordkeeping activities, reporting to the applicable regulatory authorities of adverse experiences with the drug, providing the regulatory authorities with updated safety and efficacy information, drug sampling and distribution requirements, and complying with applicable promotion and advertising requirements. Modifications or enhancements to the drug or its labeling or changes of the site of manufacture are often subject to the approval of the FDA and other regulators, which may or may not be received or may result in a lengthy review process.

FDA regulations also require that approved drug products be manufactured in specific facilities identified in the approved application for marketing and in accordance with cGMP. NDA holders using contract manufacturers, laboratories or packagers are responsible for the selection and monitoring of qualified firms, and, in certain circumstances, qualified suppliers to these firms. These manufacturers must comply with cGMP regulations that require, among other things, quality control and quality assurance as well as the corresponding maintenance of records and documentation and the obligation to investigate and correct any deviations from cGMP. Drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP and other laws. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance.

The FDA may withdraw 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-market studies or clinical trials to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters, or untitled letters;
- clinical holds on clinical trials;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product approvals;

- product seizure or detention, or refusal to permit the import or export of products;
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs;
- mandated modification of promotional materials and labeling and the issuance of corrective information;
- the issuance of safety alerts, Dear Healthcare Provider letters, press releases and other communications containing warnings or other safety information about the product; or
- injunctions or the imposition of civil or criminal penalties.

The FDA closely regulates the marketing, labeling, advertising and promotion of drug products. 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 and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe, in their independent professional medical judgment, legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA-approved labeling.

Marketing Exclusivity

Market exclusivity provisions under the FDCA can delay the acceptance by the FDA for review, or the approval, of certain marketing applications. The FDCA provides a five-year period of non-patent data exclusivity within the United States to the first applicant to obtain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application, or ANDA, or an NDA submitted under Section 505(b)(2), or 505(b)(2) NDA, submitted by another company for another drug based on the same active moiety, regardless of whether the drug is intended for the same indication as the original reference drug or for another indication, where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be accepted for review after four years if it contains a certification of patent invalidity or non-infringement to one of the patents listed with the FDA for the reference drug.

The FDCA alternatively provides three years of marketing exclusivity for an NDA, or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, such as new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the modification for which the drug received approval on the basis of the new clinical investigations and does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for drugs containing the active agent for the original indication or condition of use.

Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to any preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Pediatric exclusivity is another type of marketing exclusivity available in the United States. Pediatric exclusivity provides for an additional six months of marketing exclusivity attached to another period of exclusivity if a sponsor conducts clinical trials in children in response to a written request from the FDA. The issuance of a written request does not require the sponsor to undertake the described clinical trials.

Other U.S. Regulatory Matters

Manufacturing, sales, promotion and other activities following drug approval are also subject to regulation by numerous regulatory authorities in addition to the FDA, including, in the United States, the Centers for

Medicare & Medicaid Services, other divisions of the Department of Health and Human Services, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety & Health Administration, the Environmental Protection Agency and state and local governments. In the United States, the activities of pharmaceutical manufacturers are subject to federal and state laws designed to prevent fraud and abuse in the healthcare industry. The laws generally limit financial interactions between manufacturers and health care providers or other participants in the healthcare industry and/or require disclosure to the government and public of such interactions. Many of these laws and regulations contain ambiguous requirements or require administrative guidance for implementation.

Pharmaceutical manufacturers are also required to provide discounts or rebates under government healthcare programs or to certain government and private purchasers in order to obtain coverage under federal healthcare programs such as Medicaid. Participation in such programs may require tracking and reporting of certain drug prices. Manufacturers are subject to fines and other penalties if such prices are not reported accurately. Drugs must meet applicable child-resistant packaging requirements under the U.S. Poison Prevention Packaging Act. Manufacturing, sales, promotion and other activities are also potentially subject to federal and state consumer protection and unfair competition laws.

The distribution of pharmaceutical drugs is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical drugs.

The failure to comply with regulatory requirements subjects manufacturers to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in criminal prosecution, fines, civil monetary or other penalties, injunctions, recall or seizure of drugs, total or partial suspension of production, denial or withdrawal of product approvals, additional regulatory oversight and integrity monitoring, exclusion from participation in government healthcare programs or refusal to allow a firm to enter into supply contracts, including government contracts. In addition, even if a firm complies with FDA and other requirements, new information regarding the safety or efficacy of a product could lead the FDA to modify or withdraw product approval. Prohibitions or restrictions on sales or withdrawal of future products marketed by us could materially affect our business in an adverse way.

Chinese Regulation of Pharmaceutical Product Development and Approval

Since China's entry into the World Trade Organization in 2001, the Chinese government has made significant efforts to standardize regulations, develop its pharmaceutical regulatory system and strengthen intellectual property protection.

In October 2017, China's drug regulatory system entered a new and significant period of reform. The General Office of the State Council and the General Office of the Communist Party of China Central Committee jointly issued the Opinion on Deepening the Reform of the Regulatory Approval System to Encourage Innovation in Drugs and Medical Devices, or the Innovation Opinion, which is a mandatory plan to further reform the review and approval system and to encourage the innovation of drugs and medical devices. Under the Innovation Opinion and other recent reforms, the expedited programs and other advantages encourage drug manufacturers to seek marketing approval in China first and to develop drugs in high priority disease areas, such as oncology or rare disease.

To implement the regulatory reform introduced by the Innovation Opinion, the Standing Committee of the National People's Congress of the PRC, or SCNPC, and the National Medical Products Administration, or NMPA, have recently revised the fundamental laws, regulations and rules governing pharmaceutical products and the pharmaceutical industry, including the amendment of the framework law known as the People's Republic of China Drug Administration Law, or PRC Drug Administration Law, which became effective on December 1, 2019. The State Administration for Market Regulation, or SAMR, has promulgated two key implementing regulations for the PRC Drug Administration Law: (i) the amended Administrative Measures for Drug Registration and (ii) the amended Measures on the Supervision and Administration of the Manufacture of Drugs. Both regulations took effect on July 1, 2020.

Rest of the World Regulation of Pharmaceutical Product Development and Approval

For other countries outside of Asia and the United States, such as countries in Europe, Latin America or other parts of Asia, the requirements governing the conduct of clinical trials, drug licensing, pricing and

reimbursement vary from country to country. In all cases the clinical trials must be conducted in accordance with applicable GCP requirements and the applicable regulatory requirements and ethical principles.

If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Other Healthcare Laws

Other U.S. Healthcare Laws

We may also be subject to healthcare regulation and enforcement by the U.S. federal government and the states where we may market our drug candidates, if approved. These laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, privacy and security and transparency laws, such as the following:

- federal Anti-Kickback Statute, which prohibit, among other things, persons from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual, for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- federal false claims laws, including the False Claim Act and the Civil Monetary Penalties Law, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, information or claims for payment from Medicare, Medicaid, or other third-party payers that are false or fraudulent. In addition, a claim including items or services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which prohibits, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program (including private health plans) or making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the Federal Food, Drug, and Cosmetic Act, which among other things, strictly regulates drug product and medical device marketing, prohibits manufacturers from marketing such products prior to approval or for off-label use and regulates the distribution of samples;
- federal laws that require pharmaceutical manufacturers to report certain calculated product prices to the government or provide certain discounts or rebates to government authorities or private entities, often as a condition of reimbursement under government healthcare programs;
- the federal Physician Payments Sunshine Act, which requires certain 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 & Medicaid Services, or CMS, information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and nurse practitioners) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, imposes obligations, including mandatory contractual terms, on "covered entities," including certain healthcare providers, health plans, healthcare clearinghouses, and their respective "business associates," and their subcontractors that create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- state law equivalents of the above federal laws, such as anti-kickback and false claims laws, which may apply to items or services reimbursed by any third-party payer, including private insurers, state transparency laws, state laws limiting interactions between pharmaceutical manufacturers and members of the healthcare industry, 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 federal laws, thus complicating compliance efforts.

We may also be subject to federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers.

Efforts to ensure that our activities comply with applicable healthcare laws may involve substantial costs. Many of these laws and their implementing regulations contain ambiguous requirements or require administrative guidance for implementation. Given the lack of clarity in laws and their implementation, our activities could be subject to challenge. If our operations were found to be in violation of any of these laws or any other governmental regulations that may apply to us, we could be subject to significant civil, criminal and administrative penalties, including, without limitation, damages, fines, imprisonment, additional regulatory oversight and integrity monitoring, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations.

Coverage and Reimbursement

U.S. Coverage and Reimbursement

Successful sales of our drug candidates in the U.S. market, if approved, will depend, in part, on the extent to which our drugs will be covered by third-party payors, such as government health programs or private health insurance (including managed care plans). Patients who are provided with prescriptions as part of their medical treatment generally rely on such third-party payors to reimburse all or part of the costs associated with their prescriptions and therefore adequate coverage and reimbursement from such third-party payors are critical to new and ongoing product acceptance. Coverage and reimbursement policies for drug products can differ significantly from payor to payor as there is no uniform policy of coverage and reimbursement for drug products among third-party payors in the United States. There may be significant delays in obtaining coverage and reimbursement as the process of determining coverage and reimbursement is often time consuming and costly. Further, third-party payors are increasingly reducing reimbursements for medical drugs and services and implementing measures to control utilization of drugs (such as requiring prior authorization for coverage).

Additionally, the containment of healthcare costs has become a priority of federal and state governments, and the prices of drugs have been a focus in this effort. The U.S. government, state legislatures and foreign governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic drugs. Adoption or expansion of price controls and cost-containment measures could further limit our net revenue and results. Decreases in third-party reimbursement for our drug candidates, if approved, or a decision by a third-party payor to not cover our drug candidates could have a material adverse effect on our sales, results of operations and financial condition.

General legislative cost control measures may also affect reimbursement for our products. If we obtain approval to market a drug candidate in the United States, we may be subject to spending reductions affecting Medicare, Medicaid or other publicly funded or subsidized health programs and/or any significant taxes or fees.

U.S. Health Care Reform

The United States government, state legislatures, and foreign governments have shown significant interest in implementing cost containment programs to limit the growth of government-paid healthcare costs, including price-controls, restrictions on reimbursement, and requirements for substitution of generic products for branded prescription drugs. For example, in March 2010, the Affordable Care Act, or ACA, was passed which substantially changed the way healthcare is financed by both the government and private insurers and continues to significantly impact the U.S. pharmaceutical industry. The ACA contains provisions that may reduce the profitability of drug products through increased rebates for drugs reimbursed by Medicaid programs, extension of Medicaid rebates to Medicaid managed care plans, mandatory discounts for certain Medicare Part D beneficiaries and annual fees based on pharmaceutical companies' share of sales to federal health care programs. There have been judicial, Congressional and executive branch challenges to certain aspects of the ACA, including efforts to repeal or replace certain aspects of the ACA. For example, on June 17, 2021 the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the individual mandate was repealed by Congress. Prior to the U.S. Supreme Court ruling,

President Biden issued an executive order that initiated a special enrollment period for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. In addition, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or IRA, into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA also eliminates the “donut hole” under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost through a newly established manufacturer discount program.

Additionally, there has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs and biologics. Such scrutiny has resulted in several recent Congressional inquiries, presidential executive orders and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. For example, in July 2021, the Biden administration released an executive order with multiple provisions aimed at prescription drugs. In response to Biden’s executive order, on September 9, 2021, the U.S. Department of Health and Human Services, or HHS, released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue to advance these principles. In addition, the IRA, among other things, (1) directs the HHS to negotiate the price of certain single-source drugs and biologics covered under Medicare and (2) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. These provisions will take effect progressively starting in fiscal year 2023, although they may be subject to legal challenges. It is currently unclear how the IRA will be implemented but is likely to have a significant impact on the pharmaceutical industry. Further, the Biden administration released an additional executive order on October 14, 2022, directing HHS to submit a report within 90 days on how the Center for Medicare and Medicaid Innovation can be further leveraged to test new models for lowering drug costs for Medicare and Medicaid beneficiaries.

Other Significant Chinese Regulation Affecting Our Business Activities in China

Chinese Regulation of Foreign Investment

The establishment, operation and management of corporate entities in China are governed by the Company Law of the People’s Republic of China, or the PRC Company Law, which was adopted by the SCNPC in December 1993, implemented in July 1994, and subsequently amended in December 1999, August 2004, October 2005, December 2013 and October 2018. Under the PRC Company Law, companies are generally classified into two categories: limited liability companies and companies limited by shares. The PRC Company Law also applies to foreign-invested limited liability companies. Pursuant to the PRC Company Law, where laws on foreign investment have other stipulations, such stipulations shall prevail.

Investment activities in China by foreign investors are governed by the Guiding Foreign Investment Direction, which was promulgated by the State Council on February 11, 2002 and came into effect on April 1, 2002, and the latest Special Administrative Measures (Negative List) for Foreign Investment Access (2021), or the Negative List, which was promulgated by the Ministry of Commerce of the People’s Republic of China, or MOFCOM, and National Development and Reform Commission, or NDRC, on December 27, 2021 and took effect on January 1, 2022. The Negative List set out in a unified manner the restrictive measures, such as the requirements on shareholding percentages and management, for the access of foreign investments, and the industries that are prohibited for foreign investment. The Negative List covers 12 industries, and any field not falling in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

The Foreign Investment Law of the People’s Republic of China, or the Foreign Investment Law, was promulgated by the National People’s Congress, or NPC, in March 2019 and become effective in January 2020. After the Foreign Investment Law came into force, the Law on Wholly Foreign-Owned Enterprises of the People’s Republic of China, the Law on Sino-foreign Equity Joint Ventures of the People’s Republic of China and the Law on Sino-foreign Contractual Joint Ventures of the People’s Republic of China have been repealed simultaneously.

The investment activities of foreign natural persons, enterprises or other organizations (hereinafter referred to as foreign investors) directly or indirectly within the territory of China shall comply with and be governed by the Foreign Investment Law, including: (i) establishing by foreign investors of foreign-invested enterprises in China alone or jointly with other investors; (ii) acquiring by foreign investors of shares, equity, property shares, or other similar interests of Chinese domestic enterprises; (iii) investing by foreign investors in new projects in China alone or jointly with other investors; (iv) other forms of investment prescribed by laws, administrative regulations or the State Council.

In December 2019, the State Council issued the Regulations on Implementing the Foreign Investment Law, which came into effect in January 2020. After the Regulations on Implementing the Foreign Investment Law came into effect, the Regulation on Implementing the Sino-Foreign Equity Joint Venture Enterprise Law, Provisional Regulations on the Duration of Sino- Foreign Equity Joint Venture Enterprise, the Regulations on Implementing the Wholly Foreign-Owned Enterprise Law and the Regulations on Implementing the Sino-Foreign Cooperative Joint Venture Enterprise Law have been repealed simultaneously.

In December 2019, the MOFCOM and the SAMR issued the Measures for the Reporting of Foreign Investment Information, which came into effect in January 2020. After the Measures for the Reporting of Foreign Investment Information came into effect, the Interim Measures on the Administration of Filing for Establishment and Change of Foreign Investment Enterprises has been repealed simultaneously. Since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in China, the foreign investors or foreign-invested enterprises shall submit investment information to the relevant commerce administrative authorities pursuant to these measures.

Chinese Regulation of Commercial Bribery

Pursuant to specific provisions in the amended People's Republic of China Anti-Unfair Competition Law, commercial bribery is prohibited. Both the bribe giver and bribe recipient are subject to civil and criminal liability. Further, pharmaceutical companies involved in a criminal investigation or administrative proceedings related to bribery are listed in the Adverse Records of Commercial Briberies by its 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 the establishment of Adverse Records of Commercial Briberies. If a pharmaceutical company is listed in the Adverse Records of Commercial Briberies for the first time, their production is not required to be purchased by public medical institutions. A pharmaceutical company will not be penalized by the relevant Chinese government authorities merely by virtue of having contractual relationships with distributors or third-party promoters who are engaged in bribery activities, so long as such pharmaceutical company and its employees are not utilizing the distributors or third-party promoters for the implementation of, or acting in conjunction with them in, the prohibited bribery activities. In addition, a pharmaceutical company is under no legal obligation to monitor the operating activities of its distributors and third-party promoters, and it will not be subject to penalties or sanctions by relevant Chinese government authorities as a result of failure to monitor their operating activities.

Chinese Regulation of Product Liability

In addition to the strict new drug approval process, certain Chinese laws have been promulgated to protect the rights of consumers and to strengthen the control of medical products in China. Under current Chinese law, manufacturers and vendors of defective products in China may incur liability for loss and injury caused by such products. Pursuant to the General Principles of the Civil Law of the People's Republic of China, or PRC Civil Law, promulgated on April 12, 1986 and amended on August 27, 2009, a defective product which causes property damage or physical injury to any person may subject the manufacturer or vendor of such product to civil liability for such damage or injury. The Civil Code of the People's Republic of China, or PRC Civil Code, which was promulgated in May 2020 and became effective on January 1, 2021, amalgamates and replaces a series of specialized laws in civil law area, including the PRC Civil Law. The rules on product liability in the PRC Civil Code remain consistent with the rules in the PRC Civil Law.

On February 22, 1993, the Product Quality Law of the People's Republic of China, or Product Quality Law, was promulgated to supplement the PRC Civil Law aiming to protect the legitimate rights and interests of the end-users and consumers and to strengthen the supervision and control of the quality of products. The Product Quality Law was revised on July 8, 2000, August 27, 2009 and December 29, 2018 respectively. Pursuant to

the revised Product Quality Law, manufacturers who produce defective products may be subject to civil or criminal liability and have their business licenses revoked.

The Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers was promulgated on October 31, 1993 and was amended on August 27, 2009 and October 25, 2013 to protect consumers' rights when they purchase or use goods and accept services. According to which, all business operators must comply with this law when they manufacture or sell goods and/or provide services to customers. Under the amendment on October 25, 2013, all business operators shall pay high attention to protect the customers' privacy and strictly keep confidential any consumer information they obtain during the business operation. In addition, in extreme situations, pharmaceutical product manufacturers and operators may be subject to criminal liability if their goods or services lead to the death or injuries of customers or other third parties.

Chinese Tort Law

Under the Tort Law of the People's Republic of China, or Tort Law, which became effective on July 1, 2010, if damages to other persons are caused by defective products due to the fault of a third party, such as the parties providing transportation or warehousing, the producers and the sellers of the products have the right to recover their respective losses from such third parties. If defective products are identified after they have been put into circulation, the producers or the sellers shall take remedial measures such as the issuance of a warning, or the recall of products in a timely manner. The producers or the sellers shall be liable under tort if they fail to take remedial measures in a timely manner or have not made efforts to take remedial measures, thus causing damages. If the products are produced or sold with known defects, causing deaths or severe adverse health issues, the infringing party has the right to claim punitive damages in addition to compensatory damages. The PRC Civil Code amalgamated and replaced the Tort Law effective January 1, 2021. The rules on tort in the PRC Civil Code are generally consistent with the Tort Law.

Chinese Regulation of Intellectual Property Rights

China has made substantial efforts to adopt comprehensive legislation governing intellectual property rights, including patents, trademarks, copyrights and domain names.

Patents

Pursuant to the Patent Law of the People's Republic of China, or the PRC Patent Law, most recently amended in December 2008 and October 2020, and its implementation rules, most recently amended in January 2010, 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 and fifteen years, respectively, 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 China National Intellectual Property Administration, or CNIPA. Normally, the CNIPA 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 CNIPA for a substantive examination within three years from the date of application.

Article 19 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 CNIPA 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 CNIPA 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. The PRC Patent Law also sets up the framework and adds the provisions for patent linkage and patent term extension.

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, or 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 calculation standards referenced above. 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.

The most recent amendment to the PRC Patent Law, which was promulgated by the SCNPC in October 2020 and became effective in June 2021, describes the general principles of linking generic drug applications to pharmaceutical patent protection, also known as Patent Linkage. In July 2021, the NMPA and the CNIPA jointly published the Measures for Implementing an Early-Stage Resolution Mechanism for Pharmaceutical Patent Disputes (Tentative), or Measures on Patent Linkage, providing an operating mechanism for Patent Linkage. Upon notification of generic applications and certifications, if the patentee or the interested person disagrees, the patentee or the interested person will need to file a claim with the court or the CNIPA within 45 days after the Center for Drug Evaluation, or CDE's, publication and must submit a copy of the case acceptance notification to the CDE within 15 working days after the case acceptance date. Otherwise, the NMPA can proceed with the technical review and approval. For chemical drugs, the NMPA would initiate a nine-month approval stay period upon notification. If the patentee or the interested person cannot secure a favorable court judgment or a decision from the CNIPA within the nine-month period, the NMPA can grant marketing authorization to the generic applicant after the nine-month period expires.

Medical Patent Compulsory License

According to the PRC Patent Law, for the purpose of public health, the CNIPA may grant a compulsory license for manufacturing patented drugs and exporting them to countries or regions covered under relevant international treaties to which China has acceded.

Exemptions for Unlicensed Manufacture, Use, Sale or Import of Patented Products

The PRC Patent Law provides five exceptions permitting the unauthorized manufacture, use, sale or import of patented products. None of following circumstances are deemed an infringement of the patent rights, and any person may manufacture, use, sell or import patented products without authorization granted by the patent owner as follows:

- Any person who uses, promises to sell, sells or imports any patented product or product directly obtained in accordance with the patented methods after such product is sold by the patent owner or by its licensed entity or individual;
- Any person who has manufactured an identical product, has used an identical method or has made necessary preparations for manufacture or use prior to the date of patent application and continues to manufacture such product or use such method only within the original scope;

- Any foreign transportation facility that temporarily passes through the territory, territorial waters or territorial airspace of China and uses the relevant patents in its devices and installations for its own needs in accordance with any agreement concluded between China and that country to which the foreign transportation facility belongs, or any international treaty to which both countries are party, or on the basis of the principle of reciprocity;
- Any person who uses the relevant patents solely for the purposes of scientific research and experimentation; or
- Any person who manufactures, uses or imports patented drug or patented medical equipment for the purpose of providing information required for administrative approval, or manufactures, uses or imports patented drugs or patented medical equipment for the abovementioned person.

However, if patented drugs are utilized on the ground of exemptions for unauthorized manufacture, use, sale or import of patented drugs prescribed in PRC Patent Law, such patented drugs cannot be manufactured, used, sold or imported for any commercial purposes without authorization granted by the patent owner.

Trade Secrets

According to the People's Republic of China Anti-Unfair Competition Law promulgated by the SCNPC on September 2, 1993, as amended on November 4, 2017 and on April 23, 2019, or collectively, the PRC Anti-Unfair Competition Law, the term "trade secrets" refers to technical and business information that is unknown to the public that has utility and 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: (i) 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; (ii) disclosing, using or permitting others to use the trade secrets obtained illegally under item (i) above; (iii) 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 (iv) instigating, inducing or assisting others to violate confidentiality obligation or to violate a rights holder's requirements on keeping confidentiality of trade secrets, disclosing, using or permitting others to use the trade secrets of the rights holder. If a third party knows or should have known of such illegal conduct but nevertheless obtains, uses or discloses trade secrets of others trade secrets, the third party may be deemed to have committed a misappropriation of the others' trade secrets.

Trademarks and Domain Names

Trademarks. According to the Trademark Law of the People's Republic of China, promulgated by the SCNPC in August 1982, as amended in February 1993, October 2001, August 2013 and April 2019 and its implementation rules, or collectively, the Trademark Law, the Trademark Office of the National Intellectual Property Administration is responsible for the registration and administration of trademarks throughout China. The Trademark Law has adopted a "first-to-file" principle with respect to trademark registration.

Domain Names. Domain names are protected under the Administrative Measures on the Internet Domain Names promulgated by the Ministry of Industry and Information Technology in August 2017 and effective November 2017. The Ministry of Industry and Information Technology is the main regulatory body responsible for the administration of Chinese internet domain names.

Chinese Regulation of Labor Protection

Under the Labor Law of the People's Republic of China, effective on January 1, 1995 and subsequently amended on August 27, 2009 and December 29, 2018, the Employment Contract Law of the People's Republic of China, effective on January 1, 2008 and subsequently amended on December 28, 2012 and the Implementing Regulations of the Employment Contract Law, effective on September 18, 2008, employers must establish a comprehensive management system to protect the rights of their employees, including a system governing occupational health and safety to provide employees with occupational training to prevent occupational injury, and employers are required to truthfully inform prospective employees of the job description, working conditions, location, occupational hazards and status of safe production as well as remuneration and other conditions as requested by the Labor Contract Law of the People's Republic of China.

Pursuant to the Law of Manufacturing Safety of the People's Republic of China effective on November 1, 2002 and amended on August 27, 2009, August 31, 2014 and June 10, 2021, manufacturers must establish

a comprehensive management system to ensure manufacturing safety in accordance with applicable laws, regulations, national standards, and industrial standards. Manufacturers not meeting relevant legal requirements are not permitted to commence their manufacturing activities.

Pursuant to the Administrative Measures Governing the Production Quality of Pharmaceutical Products effective on March 1, 2011, manufacturers of pharmaceutical products are required to establish production safety and labor protection measures in connection with the operation of their manufacturing equipment and manufacturing process.

Pursuant to applicable Chinese laws, rules and regulations, including the Social Insurance Law which became effective on July 1, 2011 and amended on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Security Funds, which became effective on January 22, 1999 and amended on March 24, 2019, Interim Measures concerning the Maternity Insurance of Employees, which became effective on January 1, 1995, and the Regulations on Work-related Injury Insurance, which became effective on January 1, 2004 and was subsequently amended on December 20, 2010, 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, work-related injury insurance and maternity insurance. If an employer fails to make social insurance contributions timely and in full, the social insurance collecting authority will order the employer to make up outstanding contributions within the prescribed time period and impose a late payment fee at the rate of 0.05% per day from the date on which the contribution becomes due. If such employer fails to make the overdue contributions within such time limit, the relevant administrative department may impose a fine equivalent to one to three times the overdue amount.

Regulations Relating to Foreign Exchange Registration of Offshore Investment by Chinese Residents

In July 2014, the State Administration of Foreign Exchange, or SAFE, issued SAFE Circular 37 and its implementation guidelines. Pursuant to SAFE Circular 37 and its implementation guidelines, residents of China (including Chinese institutions and individuals) must register with local branches of SAFE in connection with their direct or indirect offshore investment in an overseas special purpose vehicle, or SPV, directly established or indirectly controlled by Chinese residents for the purposes of offshore investment and financing with their legally owned assets or interests in domestic enterprises, or their legally owned offshore assets or interests. Such Chinese residents are also required to amend their registrations with SAFE when there is a change to the basic information of the SPV, such as changes of a Chinese resident individual shareholder, the name or operating period of the SPV, or when there is a significant change to the SPV, such as changes of the Chinese individual resident's increase or decrease of its capital contribution in the SPV, or any share transfer or exchange, merger, division of the SPV. Failure to comply with the registration procedures set forth in the SAFE Circular 37 may result in restrictions being imposed on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliate, the capital inflow from the offshore entities and settlement of foreign exchange capital, and may also subject relevant onshore companies or Chinese residents to penalties under Chinese foreign exchange administration regulations.

Regulations Relating to Employee Stock Incentive Plan

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly Listed Companies, or the Stock Option Rules. In accordance with the Stock Option Rules and relevant rules and regulations, Chinese citizens or non-Chinese 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 SAFE through a domestic qualified agent, which could be a Chinese subsidiary of such overseas listed company, and complete certain procedures. We and our employees who are Chinese 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 State Taxation Administration of the PRC, or SAT, has issued circulars concerning employee stock options or restricted shares. Under these circulars, employees working in China who exercise stock options, or whose restricted shares vest, will be subject to Chinese individual income tax, or IIT. The Chinese subsidiaries of an overseas listed company have obligations to file documents related to employee stock options or restricted shares with relevant tax authorities and to withhold IIT of those employees related to their stock options or restricted shares. If the employees fail to pay, or the Chinese subsidiaries fail to withhold, their IIT according to relevant laws, rules and regulations, the Chinese subsidiaries may face sanctions imposed by the tax authorities or other Chinese government authorities.

Regulations Relating to Dividend Distribution

Pursuant to the PRC Company Law and Foreign Investment Law, and Regulations on Implementing the Foreign Investment Law of the People's Republic of China, foreign investors may freely remit into or out of China, in RMB or any other foreign currency, their capital contributions, profits, capital gains, income from asset disposal, intellectual property royalties, lawfully acquired compensation, indemnity or liquidation income and so on within the territory of China.

In January 2017, 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 Foreign Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations, most recently amended in August 2008. Under the Foreign Exchange Administration Regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. 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 foreign currency-denominated loans.

In August 2008, SAFE issued 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, or SAFE Circular 142, regulating the conversion by a foreign-invested enterprise of foreign currency-registered capital into RMB by restricting how the converted RMB may be used. SAFE Circular 142 provides that the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable government authority and may not be used for equity investments within China. SAFE also strengthened its oversight of the flow and use of the RMB capital converted from foreign currency registered capital of foreign-invested enterprises. The use of such RMB capital may not be changed without SAFE's approval, and such RMB capital may not in any case be used to repay RMB loans if the proceeds of such loans have not been used. In March 2015, SAFE issued the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises, or SAFE Circular 19, which became effective and replaced SAFE Circular 142 on June 1, 2015. Although SAFE Circular 19 allows for the use of RMB converted from the foreign currency-denominated capital for equity investments in China, the restrictions continue to apply as to foreign-invested enterprises' use of the converted RMB for purposes beyond the business scope, for entrusted loans or for inter-company RMB loans. 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 unassociated enterprises. Violations of SAFE Circular 19 or SAFE Circular 16 could result in administrative penalties.

The Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment was promulgated by SAFE in November 2012 and amended in May 2015, which substantially amends and simplifies the current foreign exchange procedure. Pursuant to this circular, the opening of various special purpose foreign exchange accounts (e.g., pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts), the reinvestment of lawful incomes derived by foreign investors in China (e.g., profit, proceeds of equity transfer, capital reduction, liquidation and early repatriation of investment), and purchase and remittance of foreign exchange as a result of capital reduction, liquidation, early repatriation or share transfer in a foreign-invested enterprise no longer require SAFE approval, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible before. In

addition, SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents in May 2013, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in China shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in China based on the registration information provided by SAFE and its branches.

In February 2015, SAFE promulgated the Circular on Further Simplifying and Improving the Policies Concerning Foreign Exchange Control on Direct Investment, or SAFE Circular 13, which took effect on June 1, 2015. SAFE Circular 13 delegates the authority to enforce the foreign exchange registration in connection with the inbound and outbound direct investment under relevant SAFE rules to certain banks and therefore further simplifies the foreign exchange registration procedures for inbound and outbound direct investment.

Regulations on Securities Offering and Listing Outside of China

On December 24, 2021, the CSRC promulgated the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments), or the Draft Administration Provisions, and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments), or the Draft CSRC Filing Measures, to regulate overseas securities offering and listing activities by domestic companies either in direct or indirect form.

The Draft Administration Provisions apply to overseas offerings by domestic companies of equity shares, depositary receipts, convertible corporate bonds, or other equity-like securities, and overseas listing of the securities for trading. Both direct and indirect overseas securities offering and listing by domestic companies would be regulated, of which the former refers to securities offering and listing in an overseas market made by a joint-stock company incorporated domestically, and the latter refers to securities offering and listing in an overseas market made in the name of an offshore entity, while based on the underlying equity, assets, earnings or other similar rights of a domestic company which operates its main business domestically. According to the Draft Filing Measures, if an issuer meets the following conditions, the offering and listing shall be determined as an indirect overseas offering and listing by a domestic company: (i) the total assets, net assets, revenues or gross profits of the domestic company(ies) of the issuer in the most recent financial year account for more than 50% of the corresponding figure in the issuer's audited consolidated financial statements over the same period; (ii) the majority of the senior management in charge of business operation and management of the issuer are Chinese citizens or habitually reside in China, and its main places of business operation are located in China or main business activities are conducted in China.

Under the Draft Administration Provisions and the Draft Filing Measures, a filing-based regulatory system would be implemented covering both direct and indirect overseas offering and listing. For an indirect initial public offering and listing in an overseas market, the issuer shall designate a major domestic operating entity to submit the filing documents to the CSRC, including but not limited to this prospectus within three working days after such application of overseas offering and listing is submitted. The CSRC would, within 20 working days if filing documents are complete and in compliance with the stipulated requirements, issue a filing notice thereof and publish the filing information on the CSRC's official website. While for confidential filings of overseas offering and listing application documents, the designated filing entity may apply for an extension of the publication of such filing. The issuer shall report to the CSRC within three working days after the overseas offering and listing application documents become public. In addition, after the issuer completes the overseas initial public offering and listing, it shall file the status of overseas offering and listing as required by the CSRC.

Meanwhile, overseas offering and listing would be prohibited under certain circumstances, including but not limited to that (i) the offering and listing are expressly forbidden by the Chinese laws, regulations and relevant rules; (ii) the intended overseas securities offering and listing constitute a threat to or endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws, (iii) there are material disputes with regard to the ownership of the equity, major assets, and core technologies, (iv) domestic companies and their controlling shareholders, actual controllers committed criminal crimes of corruption, bribery, misappropriation of property, embezzlement or undermining the order of the socialist market economy in the past three years or were filed for investigation by the judicial department for suspected crimes or material violations of laws and regulations, or (v) the directors, supervisors and senior managers of the domestic companies was subject to severe administrative punishment or was filed for

investigation by judicial authorities for suspected crimes or suspected of material violations of laws and regulations in the past three years, etc. If a domestic company falls into the circumstances where overseas offering and listing is prohibited prior to the overseas offering and listing, the CSRC and the competent authorities under the State Council shall impose a postponement or termination of the intended overseas offering and listing. The CSRC may cancel the corresponding filing if the intended overseas offering and listing application documents has been filed.

If domestic companies fail to fulfill the above-mentioned filing procedures or offer and list in an overseas market against the prohibited circumstances, they would be warned and fined up to RMB 10 million and even ordered to suspend relevant business or halt operation for rectification, revoke relevant business permits or business license in severe cases. The controlling shareholders, actual controllers, directors, supervisors, and senior management of such domestic companies would be warned and fined up to RMB 5 million separately or aggregately.

Other Chinese 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.

Facilities

Our principal executive office is located in South San Francisco, California where we lease a total of approximately 500 square feet of office space that we use for our administrative and other activities. The lease for this office space renews automatically at the end of each calendar month, unless or until we provide notice of intent not to renew the lease. We entered into a new sublease agreement to rent approximately 4,100 square feet of office space, which lease expires in October 2023. We also have a development and operations office located in Shanghai, China where we lease a total of approximately 5,900 square feet of office space. The lease under this building expires on September 15, 2023, and we may request to renew. We believe that our facilities are sufficient to meet our current needs and that suitable additional space will be available as and when needed.

Employees and Human Capital Resources

As of December 31, 2022, we had 68 full-time employees, 30 of whom have a Ph.D. or M.D. Of these 68 employees, 45 were engaged in research and development activities and 23 were engaged in business development, finance, information systems, facilities, human resources or administrative support. Five of the non-research and development-based employees were based in Shanghai, China while the other 18 resided in the United States. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, advisors and consultants. The principal purposes of our equity incentive plans are to attract, retain and reward personnel through the granting of equity-based compensation awards in order to increase shareholder value and the success of our company by motivating such individuals to perform to the best of their abilities and achieve our objectives.

Legal Proceedings

To the best of our knowledge, we are not currently the subject of any material governmental investigation, private lawsuit or other legal proceeding. From time to time, we may be involved in legal and regulatory proceedings or investigations concerning matters that arise in the ordinary course of our business and that could result in significant fines or penalties, have an adverse impact on our reputation, business and financial condition or results of operations and divert the attention of our management from the operation of our business. The outcome of any future litigation, regulatory or other proceedings cannot be predicted with certainty, and some lawsuits, claims, actions or proceedings may be disposed of unfavorably to us. In addition, intellectual property disputes often have a risk of injunctive relief which, if imposed against us, could materially and adversely affect our business, financial condition or results of operations.

MANAGEMENT

The following table sets forth information regarding our executive officers and directors as of the date of this prospectus:

NAME	AGE	POSITION(S)
Executive Officers:		
Raymond Stevens, Ph.D.	59	Director, Chief Executive Officer
Jun Yoon ⁽⁴⁾	45	Director, Chief Financial Officer
Xichen Lin, Ph.D.	49	Chief Scientific Officer
Mark Bach, M.D., Ph.D.	66	Chief Medical Officer
Melita Sun Jung	46	Chief Business Officer
Yingli Ma, Ph.D.	49	Chief Technology Officer
Non-Employee Directors:		
Daniel G. Welch ⁽¹⁾⁽²⁾⁽³⁾	65	Chairman of the Board
Ramy Farid, Ph.D. ⁽²⁾	58	Director
Jessica Lifton ⁽²⁾⁽⁵⁾⁽⁷⁾	35	Director
Sharon Tetlow ⁽¹⁾⁽³⁾	63	Director
Chen Yu, M.D. ⁽⁶⁾	48	Director
Eric Dobmeier ⁽¹⁾⁽⁷⁾	54	Director
Joanne Waldstreicher, M.D. ⁽³⁾	62	Director

⁽¹⁾ Member of our audit committee.

⁽²⁾ Member of our compensation committee.

⁽³⁾ Member of our nominating and governance committee.

⁽⁴⁾ Mr. Yoon has notified us that he intends to resign from our board of directors contingent upon and effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part.

⁽⁵⁾ Ms. Lifton has notified us that she intends to resign from our board of directors contingent upon and effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part.

⁽⁶⁾ Dr. Yu has notified us that he intends to resign from our board of directors contingent upon and effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part.

⁽⁷⁾ Upon the effectiveness of Ms. Lifton's resignation from our board of directors, Mr. Dobmeier will replace her as a member of our compensation committee.

Executive Officers

Raymond Stevens, Ph.D. has served as our Chief Executive Officer since May 2019 and as a member of our board of directors since February 2019. Previously, Dr. Stevens founded the Bridge Institute at the University of Southern California, or Bridge Institute, where he served as Founding Director and Professor from July 2014 to May 2019, and since then as Professor Emeritus. Prior to founding the Bridge Institute, Dr. Stevens founded the iHuman Institute at ShanghaiTech University, or iHuman Institute, in January 2012, where he has since served as Founding Director and Adjunct Professor. Prior to founding the iHuman Institute, Dr. Stevens served as Professor, Department of Integrative Structural and Computational Biology and Chemistry at The Scripps Research Institute from June 1999 to July 2014. Dr. Stevens also currently serves as a member of the board of directors of Danaher Corporation (NYSE: DHR). Dr. Stevens completed a post-doctoral fellowship in Chemistry at Harvard University. Dr. Stevens received his B.A. in Chemistry from the University of Southern Maine, and his Ph.D. in Organic Chemistry from the University of Southern California. We believe that Dr. Stevens is qualified to serve on our board of directors based on his extensive experience in the field of structure-based drug discovery and as a director of public and private companies. As our Chief Executive Officer, Dr. Stevens also provides invaluable insight to our management's perspective in the board's discussions regarding our company's business and strategic plans.

Jun Yoon has served as our Chief Financial Officer since May 2022 and as a member of our board of directors since February 2019. He previously served as our Chief Operating Officer since February 2019. Prior to

joining our company, Mr. Yoon served as Vice President, Corporate Development at Cellerant Therapeutics, Inc., a biotechnology company developing immunotherapies for hematologic malignancies and other blood-related disorders, from May 2010 to January 2016. Prior to joining Cellerant Therapeutics, Mr. Yoon served as Senior Director, Licensing & Business Development at VIA Pharmaceuticals, Inc., a biotechnology company focused on the treatment of cardiovascular disease, from August 2004 to March 2010. Previously, Mr. Yoon worked in Business Development for Syrrx, Inc., prior to its acquisition by Takeda Pharmaceutical Company Limited, from July 2000 to October 2002. Mr. Yoon currently serves as director of the GPCR Consortium, a public-private global collaboration advancing GPCR research. Mr. Yoon received his B.A. in Molecular Cell Biology from the University of California, Berkeley. We believe that Mr. Yoon is qualified to serve on our board of directors based on his knowledge of our company's operations and business and extensive experience building and operating biotechnology companies.

Xichen Lin, Ph.D. has served as our Chief Scientific Officer since July 2019. Prior to joining our company, Dr. Lin served as Head of External Innovation, Asia Pacific at Novo Nordisk from May 2016 to July 2019. Prior to joining Novo Nordisk A/S, Dr. Lin served as Operation Partner at C-Bridge Capital, a biotechnology investment firm, from December 2015 to May 2016. Prior to serving at C-Bridge Capital, Dr. Lin held various scientific and strategy roles at GlaxoSmithKline, or GSK, from July 2002 to December 2015, including Head of GSK's Global Neuroinflammation Discovery Performance Unit. Dr. Lin received his B.S. in Chemistry from Peking University, and his Ph.D. in Organic Chemistry from The Pennsylvania State University.

Mark Bach, M.D., Ph.D. has served as our Chief Medical Officer since June 2021. Prior to joining our company, Dr. Bach served as Senior Vice President, Endocrine Medical Sciences at Ascendis Pharma, a Danish biopharmaceutical company, from November 2020 to June 2021. Prior to serving at Ascendis Pharma, Inc. (Nasdaq: ASND), Dr. Bach served as Interim Chief Executive Officer of Accumulus Synergy, Inc., a non-profit biopharmaceutical information exchange platform, from July 2020 to October 2020. Prior to serving at Accumulus Synergy, Dr. Bach held various roles at Janssen Pharmaceuticals, Inc., or Janssen, from January 2010 to October 2020, including Vice President, Office of the Chief Medical Officer and Vice President Head, Asia Pacific Medical Sciences and China Innovation. Prior to serving at Janssen, Dr. Bach held various roles at Merck & Co., Inc. (NYSE: MRK) from June 1993 to January 2010, including Vice President and Executive Director, Global Medical Organization. Dr. Bach received his B.A. in Chemistry from Carleton College, his Ph.D. in Pathology from The University of Chicago Graduate School of Biological Sciences, and his M.D. from Baylor College of Medicine.

Melita Sun Jung has served as our Chief Business Officer since May 2021. Prior to joining our company, Ms. Jung served as Senior Vice President, Head of Business Development at Sangamo Therapeutics, Inc. (Nasdaq: SGMO), a genomic medicines company, from July 2017 to May 2021. Prior to joining Sangamo Therapeutics, Ms. Jung served as Senior Director, Corporate Development at Adamas Pharmaceuticals, Inc., a biopharmaceutical company focused on neurological diseases, from July 2014 to June 2017. Prior to that, Ms. Jung served as Vice President, Business Development at Ascendancy Healthcare, Inc., a company focused on commercializing pharmaceutical products for China and other Asian markets, from April 2012 to May 2014. Prior to serving at Ascendancy Healthcare, Ms. Jung held corporate development and commercial roles for Ipsen, Ltd. (OTCMKTS: IPSEY), a biopharmaceutical company focused on oncology, rare disease and neuroscience. Previously, Ms. Jung started her career in venture capital and fund management, at Bay City Capital and Lombard Odier. Ms. Jung received her B.A. in Integrative Biology from the University of California, Berkeley.

Yingli Ma, Ph.D. has served as our Chief Technology Officer since August 2022. Previously, Dr. Ma served as General Manager and President of Basecamp Bio Inc., our wholly-owned subsidiary, from May 2021 to August 2022. Prior to joining Basecamp Bio, Dr. Ma served as General Manager of Amgen Biopharmaceutical R&D (Shanghai), the R&D site of Amgen, Inc. (Nasdaq: AMGN) in Shanghai from June 2020 to May 2021. Previously, Dr. Ma served in various roles at Amgen, including Executive Director, Structural Biology and China Research Shanghai, or CNRS, Platforms from July 2018 to December 2019, and Principal Scientist, Structural Biology and Protein Expression from June 2014 to July 2018. Prior to serving at Amgen, Dr. Ma was Senior Scientist and Principal Scientist, Structural Chemistry Lead at GSK from April 2009 to May 2014. Dr. Ma completed her post-doctoral fellowship in Molecular Biology at Rockefeller University. Dr. Ma received her B.S. in Clinical Medicine from China Medical University, and her Ph.D. in Biochemistry and Molecular Biophysics from the University of Pennsylvania.

Non-Employee Directors

Daniel G. Welch has served as Chairman of our board of directors since January 2022. Mr. Welch served as an Executive Partner of Sofinnova Ventures, a venture capital firm from January 2015 to February 2018. Prior to serving at Sofinnova, Mr. Welch served as Chief Executive Officer and President of InterMune, Inc., a biotechnology company, from September 2003 until its acquisition by Roche Holdings AG (OTCMKTS: RHHBY) in September 2014. Mr. Welch also served as Chairman of InterMune from May 2008 to September 2014. Prior to serving at InterMune, Mr. Welch served as Chairman and Chief Executive Officer of Triangle Pharmaceuticals, Inc., a pharmaceutical company that was acquired by Gilead Sciences, Inc. (Nasdaq: GILD) from 2002 to 2003. Prior to serving at Triangle Pharmaceuticals, Mr. Welch served as President of Biopharmaceuticals at Elan Corporation (TYO: 6099) from 2000 to 2002. Prior to serving at Elan, Mr. Welch served in various senior management roles at Sanofi-Synthelabo, now Sanofi S.A. (Nasdaq: SNY), from 1987 to 2000, including as Vice President of Worldwide Marketing and Chief Operating Officer of the U.S. business. Mr. Welch currently serves on the boards of directors of Nuvation Bio Inc. (NYSE: NUVB), SeaGen Inc. (Nasdaq: SGEN), and Ultragenyx Pharmaceutical Inc. (Nasdaq: RARE). Mr. Welch received his B.B.A. in Marketing from the University of Miami and his M.B.A. from the University of North Carolina. We believe that Mr. Welch is qualified to serve on our board of directors based on his operational and strategic expertise in the global pharmaceutical market, his experience serving on the board of directors of publicly traded pharmaceutical companies and his extensive experience in leading companies from clinical-stage drug development to large-scale global commercialization.

Ramy Farid, Ph.D. has served as a member of our board of directors since April 2019. Since January 2017, Dr. Farid has served as the President and Chief Executive Officer at Schrödinger, Inc. (Nasdaq: SDGR), where he has served in various roles since 1987, including President from January 2008 to December 2016, Senior Vice President from January 2005 to December 2007, and Vice President, Scientific Development and Product Management from January 2003 to December 2004. Prior to joining Schrödinger, Dr. Farid was an Assistant Professor in the Chemistry Department at Rutgers University from July 1994 to December 2001. Dr. Farid currently serves as a member of the board of directors of Schrödinger and Ajax Therapeutics, Inc. a private biotechnology company applying computational chemistry and structure-based technologies to develop small molecules for hematologic malignancies. Dr. Farid was previously a National Institute of Health Postdoctoral Fellow in the Department of Biochemistry and Biophysics at the University of Pennsylvania. Dr. Farid received his B.S. in Chemistry from the University of Rochester and his Ph.D. in Chemistry from the California Institute of Technology. We believe that Dr. Farid is qualified to serve on our board of directors because of his extensive experience in the biopharmaceutical industry, including his expertise in drug discovery and development.

Jessica Lifton has served as a member of our board of directors since July 2021. Since January 2022, Ms. Lifton has served as Principal at BVF Partners L.P., or BVF Partners, a biotechnology investment firm. Previously, Ms. Lifton served as Associate at BVF Partners from September 2015 to January 2022. From December 2020 to December 2022, Ms. Lifton served as a member of the board of directors of Aro Biotherapeutics, a biotechnology company focused on the development of tissue-targeted genetic medicines. Ms. Lifton received her B.A. in Economics from Union College. We believe that Ms. Lifton is qualified to serve on our board of directors based on her board experience and her experience analyzing investments in the biotechnology industry.

Sharon Tetlow has served as a member of our board of directors since March 2022. Since January 2016, Ms. Tetlow has served as Managing Partner of Potrero Hill Advisors, an advisory firm providing strategic and operational financial support to life sciences companies. Prior to Potrero Hill Advisors, Ms. Tetlow served as chief financial officer of several public and private biotech companies for the previous twenty years. Ms. Tetlow currently serves on the board of directors, on the nominating and governance committee and as chair of the audit committee of DICE Therapeutics, Inc. (Nasdaq: DICE), a biopharmaceutical company, on the board of directors and as chair of the audit committee of Catalyst Biosciences, Inc. (Nasdaq: CBIO), a biopharmaceutical company, and on the supervisory board and as chair of the audit committee of Valneva SE (Nasdaq: VALN, EPA: VLA), a global commercial stage, public vaccine company. Ms. Tetlow received her B.S. in Psychology from the University of Delaware and her M.B.A. from Stanford University. We believe that Ms. Tetlow is qualified to serve as a member of our board of directors because of her expertise in corporate finance and strategy in the biotechnology and pharmaceutical industries and her public company board experience.

Chen Yu, M.D. has served as a member of our board of directors since July 2021. Since January 2021, Dr. Yu has served as Founding Managing Partner at TCG Crossover, a biotechnology investment firm. Prior to joining TCG Crossover, Dr. Yu served as Managing Partner at VIVO Capital LLC from March 2004 to August 2020. Dr. Yu currently serves on the board of directors of Arbor Biotechnologies and Artios Pharma Ltd. Dr. Yu received his B.A. in Biology from Harvard University, his M.D. from the Stanford University School of Medicine, and his M.B.A. from the Stanford University Graduate School of Business. We believe that Dr. Yu is qualified to serve on our board of directors based on his extensive board experience, his experience as an executive for both private and public companies and his experience in the biotechnology industry.

Eric Dobmeier has served as a member of our board of directors since December 2022. Since April 2019, Mr. Dobmeier has served as President, Chief Executive Officer and a member of the Board of Directors of Chinook Therapeutics, Inc. (NASDAQ: KDNY), a publicly traded biotechnology company focused on kidney diseases. Prior to joining Chinook Therapeutics, Mr. Dobmeier served as President and Chief Executive Officer of Silverback Therapeutics, Inc. from January 2018 to June 2018. Prior to that, Mr. Dobmeier held positions of increasing responsibility at Seattle Genetics, Inc. (NASDAQ: SGEN), a publicly traded biotechnology company, from 2002 to December 2017, including as Chief Operating Officer from June 2011 to December 2017. Previously, Mr. Dobmeier was an attorney with the law firms of Venture Law Group and Heller Ehrman LLP, where he represented technology companies in connection with public and private financings, mergers and acquisitions and corporate partnering transactions. Mr. Dobmeier currently serves on the board of directors of Atara Biotherapeutics, Inc. (NASDAQ: ATRA), a publicly traded biotechnology company, where he has served since 2015. Mr. Dobmeier previously served on the boards of directors of Adaptive Biotechnologies Corp (NASDAQ: ADPT) from 2016 to 2021, Stemline Therapeutics, Inc. (NASDAQ: STML) from 2012 to 2018 and Versartis from 2017 to 2018, each a publicly traded biopharmaceutical company. He received his A.B. in History from Princeton University and his J.D. from the University of California, Berkeley School of Law. We believe Mr. Dobmeier is qualified to serve as a member of our board of directors because of his legal, business development and operating experience, senior management experience at public biotechnology companies and his service as a director of other biopharmaceutical companies.

Joanne Waldstreicher, M.D., has served as a member of our board of directors since December 2022. Since December 2012, Dr. Waldstreicher has served as Chief Medical Officer at Johnson & Johnson (NYSE: JNJ), where she has served in various roles since 2002, including Chief Medical Officer & Head, Asia Pacific Medical Science at Janssen Pharmaceutical Companies of Johnson & Johnson from 2011 to 2012 and Senior Vice President, Head, Global Drug Development from 2007 to 2009. Prior to joining Johnson & Johnson, Dr. Waldstreicher oversaw endocrinology and metabolism clinical research at Merck Research Laboratories. Dr. Waldstreicher also currently serves as a faculty affiliate of the Division of Medical Ethics, Department of Population Health at New York University School of Medicine. Dr. Waldstreicher received her B.A. in Chemistry at City University of New York, Brooklyn College, and her M.D. at Harvard Medical School. We believe Dr. Waldstreicher is qualified to serve on our board of directors based on her extensive experience as a pharmaceutical executive with significant expertise in clinical development, drug development strategy and regulatory affairs.

Family Relationships and Other Arrangements

Pursuant to our voting agreement, as amended, which will terminate upon the closing of this offering, the following directors were designated as directors to our board of directors:

- Dr. Stevens and Mr. Yoon were elected by the holders of a majority of our ordinary shares.
- Dr. Yu was designated by TCG Crossover Fund I, L.P. and elected by the holders of a majority of our Series B convertible preferred shares.
- Ms. Lifton was designated by BVF Partners L.P. and elected by the holders of a majority of our Series B convertible preferred shares.
- Dr. Waldstreicher was approved by our board of directors and elected by the holders of a majority of our Series A+ convertible preferred shares.
- Ms. Tetlow and Mr. Dobmeier were approved by our board of directors and elected by the holders of a majority of our Series A convertible preferred shares.
- Dr. Farid was designated mutually by our board of directors and approved by certain affiliated entities.

There are no family relationships among any of our executive officers and directors.

Board Composition

Our board of directors currently consists of nine members, with one vacancy. Ms. Lipton, Mr. Yoon and Dr. Yu have notified us that they each intend to resign from our board of directors contingent upon and effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part. In accordance with our amended and restated memorandum and articles of association, which will be effective immediately upon the closing of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of shareholders, the successors to the directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- The Class I directors will be Ms. Tetlow and Dr. Farid, and their terms will expire at the annual meeting of shareholders to be held in 2024;
- The Class II directors will be Mr. Dobmeier and Dr. Waldstreicher, and their terms will expire at the annual meeting of shareholders to be held in 2025; and
- The Class III directors will be Dr. Stevens and Mr. Welch, and their terms will expire at the annual meeting of shareholders to be held in 2026.

We expect that any additional directorships resulting from an increase in the number of directors or from the filling of any current vacancies will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Under the Nasdaq Stock Market LLC Marketplace Rules, or the Nasdaq Listing Rules, independent directors must comprise a majority of our board of directors as a public company within 12 months of listing.

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Based on information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that all of our directors other than Raymond Stevens, Ph.D. and Jun Yoon are independent directors, as defined by Rule 5605(a)(2) of the Nasdaq Listing Rules.

Duties of Directors

Under Cayman Islands law, all of our directors owe us fiduciary duties, including a duty of loyalty, a duty to act honestly and a duty to act in good faith and in a manner they believe to be in our best interests. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our amended and restated memorandum and articles of association, as amended and restated from time to time. We have the right to seek damages if a duty owed by any of our directors is breached.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and governance committee. Our board of directors may establish other committees to facilitate the management of our business. The composition and functions of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Each committee intends to adopt a written charter that satisfies the applicable rules and regulations of the SEC and Nasdaq Listing Rules, which we will post on our website at www.structuretx.com upon the closing of this offering.

Audit Committee

Our audit committee consists of Sharon Tetlow, Daniel Welch and Eric Dobmeier. Our board of directors has determined that each of the members of our audit committee satisfies the Nasdaq Stock Market and SEC independence requirements. Ms. Tetlow serves as the chair of our audit committee. The functions of this committee include, among other things:

- evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors;

- reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;
- monitoring the rotation of partners of our independent auditors on our engagement team as required by law;
- prior to engagement of any independent auditor, and at least annually thereafter, reviewing relationships that may reasonably be thought to bear on their independence, and assessing and otherwise taking the appropriate action to oversee the independence of our independent auditor;
- reviewing our annual and quarterly financial statements and reports, including the disclosures contained under the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," and discussing the statements and reports with our independent auditors and management;
- reviewing, with our independent auditors and management, significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our financial controls;
- reviewing with management and our independent auditors any earnings announcements;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding financial controls, accounting or auditing matters and other matters;
- preparing the report that the SEC requires in our annual proxy statement;
- reviewing and providing oversight of any related-person transactions in accordance with our related person transaction policy and reviewing and monitoring compliance with legal and regulatory responsibilities, including our code of business conduct and ethics;
- reviewing our major financial risk exposures, including the guidelines and policies to govern the process by which risk assessment and risk management are implemented;
- reviewing on a periodic basis our investment policy; and
- reviewing and evaluating on an annual basis the performance of the audit committee and the audit committee charter.

Our board of directors has determined that Sharon Tetlow qualifies as an audit committee financial expert within the meaning of SEC regulations and meets the financial sophistication requirements of the Nasdaq Listing Rules. In making this determination, our board has considered Ms. Tetlow's prior experience, business acumen and independence. Both our independent registered public accounting firm and management periodically meet privately with our audit committee.

We believe that the composition and functioning of our audit committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

Compensation Committee

Our compensation committee consists of Ramy Farid, Ph.D., Daniel Welch and Jessica Lifton. Ms. Lifton has notified us that she intends to resign from our board of directors contingent upon and effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part. Upon the effectiveness of Ms. Lifton's resignation from our board of directors, Mr. Dobmeier will replace her as a member of our compensation committee. Dr. Farid serves as the chair of our compensation committee. Our board of directors has determined that each of the members of our compensation committee satisfies the Nasdaq Stock Market independence requirements. The functions of this committee include, among other things:

- reviewing, modifying and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) our overall compensation strategy and policies;
- reviewing and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) the compensation and other terms of employment of our executive officers;
- reviewing and approving (or if it deems it appropriate, making recommendations to the full board of directors regarding) performance goals and objectives relevant to the compensation of our executive officers and assessing their performance against these goals and objectives;

- reviewing and approving (or if it deems it appropriate, making recommendations to the full board of directors regarding) the equity incentive plans, compensation plans and similar programs advisable for us, as well as modifying, amending or terminating existing plans and programs;
- evaluating risks associated with our compensation policies and practices and assessing whether risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us;
- reviewing and making recommendations to the full board of directors regarding the type and amount of compensation to be paid or awarded to our non-employee board members;
- establishing policies with respect to votes by our shareholders to approve executive compensation as required by Section 14A of the Exchange Act and determining our recommendations regarding the frequency of advisory votes on executive compensation, to the extent required by law;
- reviewing and assessing the independence of compensation consultants, legal counsel and other advisors as required by Section 10C of the Exchange Act;
- administering our equity incentive plans;
- establishing policies with respect to equity compensation arrangements;
- reviewing the competitiveness of our executive compensation programs and evaluating the effectiveness of our compensation policy and strategy in achieving expected benefits to us;
- reviewing and making recommendations to the full board of directors regarding the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers;
- reviewing with management and approving our disclosures under the caption "Compensation Discussion and Analysis" in our periodic reports or proxy statements to be filed with the SEC, to the extent such caption is included in any such report or proxy statement;
- preparing the report that the SEC requires in our annual proxy statement (if applicable); and
- reviewing and assessing on an annual basis the performance of the compensation committee and the compensation committee charter.

We believe that the composition and functioning of our compensation committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Daniel Welch, Sharon Tetlow and Joanne Waldstreicher, M.D. Our board of directors has determined that each of the members of this committee satisfies the Nasdaq Stock Market independence requirements. Mr. Welch serves as the chair of our nominating and governance committee. The functions of this committee include, among other things:

- identifying, reviewing and evaluating candidates to serve on our board of directors consistent with criteria approved by our board of directors;
- determining the minimum qualifications for service on our board of directors;
- evaluating director performance on the board and applicable committees of the board and determining whether continued service on our board is appropriate;
- evaluating, nominating and recommending individuals for membership on our board of directors;
- evaluating nominations by shareholders of candidates for election to our board of directors;
- considering and assessing the independence of members of our board of directors;
- developing a set of corporate governance policies and principles, and periodically reviewing and assessing these policies and principles and their application and recommending to our board of directors any changes to such policies and principles;
- considering questions of possible conflicts of interest of directors as such questions arise; and
- reviewing and assessing on an annual basis the performance of the nominating and governance committee and the nominating and governance committee charter.

We believe that the composition and functioning of our nominating and governance committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

Role of the Board in Risk Oversight

Our board of directors has an active role, as a whole and also at the committee level, in overseeing the management of our risks. Our board of directors is responsible for general oversight of risks and regular review of information regarding our risks, including liquidity risks and operational risks. The audit committee is responsible for overseeing the management of risks relating to accounting matters and financial reporting. The compensation committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The nominating and governance committee is responsible for overseeing the management of risks associated with the independence of our board of directors and potential conflicts of interest. Although each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board of directors is regularly informed through discussions from committee members about such risks. Our board of directors believes its administration of its risk oversight function has not negatively affected our board of directors' leadership structure.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently, or has been at any time, one of our executive officers or employees. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or on our compensation committee.

Code of Business Conduct and Ethics and Corporate Governance Guidelines

Prior to the completion of this offering, we will adopt a Code of Business Conduct and Ethics, which will be applicable to all of our directors, executive officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. Following the completion of this offering, we will make our Code of Business Conduct and Ethics publicly available on our website at www.structuretx.com. Our Code of Business Conduct and Ethics is a "code of ethics," as defined in Item 406(b) of Regulation S-K. The information contained on, or accessible from, our website is not part of this prospectus by reference or otherwise. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our Code of Business Conduct and Ethics on our website.

In addition, prior to the completion of this offering, we will adopt a set of corporate governance guidelines which will reflect certain guiding principles with respect to our board's structure, procedures and committees. The guidelines are not intended to change or interpret any applicable law, rule or regulation or our amended and restated memorandum and articles of association.

EXECUTIVE AND DIRECTOR COMPENSATION

Our named executive officers for the year ended December 31, 2022, consisting of our principal executive officer and two other most highly compensated officers serving at the end of such year, were:

- Raymond Stevens, Ph.D., our Chief Executive Officer;
- Mark Bach, M.D., Ph.D., our Chief Medical Officer; and
- Yingli Ma, Ph.D., our Chief Technology Officer.

Summary Compensation Table

The following table presents all of the compensation awarded to or earned by or paid to our named executive officers during the fiscal year ended December 31, 2022.

NAME AND PRINCIPAL POSITION	FISCAL YEAR	SALARY (\$)	BONUS (\$)	OPTION AWARDS (\$) ⁽¹⁾	NON-EQUITY		TOTAL (\$)
					INCENTIVE PLAN COMPENSATION (\$) ⁽²⁾	ALL OTHER COMPENSATION (\$)	
Raymond Stevens, Ph.D. <i>Chief Executive Officer</i>	2022	487,333	—	—	247,500	—	734,833
	2021	420,000	—	377,596	283,200	—	1,080,796
Mark Bach, M.D., Ph.D. <i>Chief Medical Officer</i>	2022	466,375	—	—	149,499	—	615,874
	2021	241,288	66,000	704,928	84,206	—	1,096,422
Yingli Ma, Ph.D. <i>Chief Technology Officer</i>	2022	374,421 ⁽³⁾	—	744,738	120,117 ⁽⁴⁾	3,047 ⁽⁵⁾	1,242,323

⁽¹⁾ The amount disclosed represents the aggregate grant date fair value of the share option granted to our named executive officers during fiscal years 2022 and 2021, as applicable, under our 2019 Equity Incentive Plan, computed in accordance with FASB ASC Topic 718. This amount does not reflect the actual economic value that may be realized by the named executive officer.

⁽²⁾ Amounts represent the applicable named executive officer's performance bonus earned for fiscal years 2021 and 2022, as applicable, as described below under the subsection titled "—Non-Equity Incentive Plan Compensation."

⁽³⁾ Dr. Ma's salary in 2022 was RMB 2,519,400. Conversion to U.S. dollars is based on the average monthly exchange rate of RMB 6.73 per U.S. dollar during fiscal year 2022.

⁽⁴⁾ Dr. Ma's performance bonus for fiscal year 2022 was RMB 808,244. Conversion to U.S. dollars is based on the average monthly exchange rate of RMB 6.73 per U.S. dollar during fiscal year 2022.

⁽⁵⁾ Amount represents transportation and meal allowances paid by us on behalf of Dr. Ma. The amount paid was RMB 20,500. Conversion to U.S. dollars is based on the average monthly exchange rate of RMB 6.73 per U.S. dollar during fiscal year 2022.

Annual Base Salary

The 2022 annual base salary rates for our named executive officers are set forth in the table below.

NAME	2022 BASE SALARY RATE
Raymond Stevens, Ph.D. ⁽¹⁾	\$ 500,000
Mark Bach, M.D., Ph.D. ⁽²⁾	\$ 468,650
Yingli Ma, Ph.D. ⁽³⁾	\$ 376,544

⁽¹⁾ Dr. Stevens' annual base salary rate was effective as of March 1, 2022. Dr. Stevens' annual base salary rate was \$424,000 from January 1, 2022 until February 28, 2022.

⁽²⁾ Dr. Bach's annual base salary rate was effective as of March 1, 2022. Dr. Bach's annual base salary rate was \$455,000 from January 1, 2022 until February 28, 2022.

⁽³⁾ Dr. Ma's annual base salary rate of RMB 2,533,680 (USD \$376,544) was effective as of March 1, 2022. Previously, Dr. Ma's annual base salary rate was RMB 2,448,000 (USD \$363,810) from January 1, 2022 until February 28, 2022. All amounts reported herein were converted to U.S. dollars based on the average monthly exchange rate of RMB 6.73 per U.S. dollar during fiscal year 2022.

In January 2023, based upon the recommendation of our independent compensation consultant, our board of directors approved the following base salaries for each of our named executive officers, to become effective on the date of the underwriting agreement related to this offering: Dr. Stevens, \$605,000; Dr. Bach, \$487,450; and Dr. Ma, RMB 2,676,930 (USD \$382,420).

Non-Equity Incentive Plan Compensation

We seek to motivate and reward our executives for achievements relative to our corporate goals and expectations for each fiscal year. In 2022, Drs. Stevens, Bach and Ma were each eligible to receive an annual performance bonus based on the achievement of certain pre-established corporate performance goals determined by our board of directors (100% weighting for Dr. Stevens and 90% weighting for Drs. Bach and Ma) and, in the case of Drs. Bach and Ma, individual performance goals (10% weighting for Drs. Bach and Ma). Pursuant to the terms of his executive employment agreement, Dr. Stevens' target bonus was equal to 33% of his annual base salary and could have been as high as 55% if the level of achievement exceeded expectations. Pursuant to the terms of his offer letter, Dr. Bach's target bonus was equal to 35% of his annual base salary. Pursuant to the terms of the New Ma Employment Contract (as defined below under "—Agreements With Our Named Executive Officers"), Dr. Ma's target bonus was equal to 35% of her annual base salary. In January 2023, our board of directors determined that the 2022 corporate goals were achieved at 90% overall, Dr. Stevens' target bonus was determined to be 55% and that Drs. Bach and Ma each achieved 100% of their individual performance goals. As a result, our board of directors approved 2022 annual performance bonuses for each of our named executive officers, as reflected in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table above.

In January 2023, based upon the recommendation of our independent compensation consultant, our board of directors approved the following target bonus amounts for each of our named executive officers, expressed as a percentage of annual base salary, to become effective on the date of the underwriting agreement related to this offering: Dr. Stevens, 50%; Dr. Bach, 40%; and Dr. Ma, 40%.

Equity-Based Incentive Awards

Our equity-based incentive awards are designed to align our interests and those of our shareholders with those of our employees and consultants, including our executive officers. Our board of directors or an authorized committee thereof is responsible for approving equity grants.

We have generally used share options and restricted share awards as an incentive for long-term compensation to our executive officers because share options allow our executive officers to realize value from this form of equity compensation only if our share price increases, and restricted share awards align the interests of our executive officers with the interests of our shareholders generally. Certain share options that we have granted to our executive officers permit "early exercise," whereby the executive officer can purchase shares subject to the share option prior to vesting, subject to our right of repurchase which lapses in accordance with the vesting schedule of the share option. Similarly, ordinary shares issued pursuant to restricted share awards are subject to our right of repurchase which lapses in accordance with the vesting schedule of the restricted share award.

We may grant equity awards at such times as our board of directors determines appropriate. Our executives generally are awarded an initial grant in the form of a share option in connection with their commencement of employment with us. Additional grants may occur periodically in order to specifically incentivize executives with respect to achieving certain corporate goals or to reward executives for exceptional performance.

All share options are granted with an exercise price per share that is no less than the fair market value of one ordinary share on the date of grant of such award. Our share options generally vest over a four-year period. Equity awards granted to our named executive officers may be subject to acceleration of vesting and exercisability under certain termination and change in control events, as described in more detail below under the subsections titled "—Potential Payments Upon Termination or Change in Control" and "—Employee Benefit Plans."

On January 20, 2022, in connection with Dr. Ma's commencement of employment with us, we granted Dr. Ma a share option to purchase 400,000 ordinary shares with an exercise price of \$2.60 per share and a vesting commencement date of May 11, 2021. Dr. Ma's share option vests as follows: one-fourth of the shares subject

to the share option vest on the first anniversary of the vesting commencement date, and the remaining shares vest in 36 equal monthly installments thereafter, subject to Dr. Ma's continuous service through each such vesting date.

In January 2023, based upon the recommendation of our independent compensation consultant, our board of directors approved the following share options to each of our named executive officers, which will be granted under the 2023 Equity Incentive Plan, or the 2023 Plan, contingent and effective upon the execution of the underwriting agreement related to this offering: Dr. Stevens, 1,600,000 ordinary shares; Dr. Bach, 450,000 ordinary shares; and Dr. Ma, 250,000 ordinary shares. The exercise price per share of these share options will be equal to the fair market value of each ordinary share, based on the price at which the ADSS are offered by the underwriters in this offering. Each share option will vest: over four years, subject to the executive's continuous service through each vesting date and, for Drs. Bach and Ma, subject to achievement of certain clinical milestones in the first year following grant. The options are subject to acceleration of vesting and exercisability under certain circumstances.

Outstanding Equity Awards as of December 31, 2022

The following table presents the outstanding equity awards held by each named executive officer as of December 31, 2022.

NAME	OPTION AWARDS ⁽¹⁾					SHARE AWARDS ⁽¹⁾	
	GRANT DATE	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	NUMBER OF SECURITIES UNDERLYING UNEXERCISABLE OPTIONS	OPTION PRICE PER SHARE (\$) ⁽²⁾	OPTION EXPIRATION DATE	NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED (#)	MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT VESTED (\$) ⁽³⁾
		EXERCISABLE (#)	UNEXERCISABLE (#)				
Raymond Stevens, Ph.D.	4/29/2019 ⁽⁴⁾	—	—	—	—	163,641	—
	1/22/2020 ⁽⁵⁾	100,000	—	0.39	1/21/2030	—	—
	1/22/2021 ⁽⁶⁾	258,159	280,608	0.48	1/21/2031	—	—
Mark Bach, M.D., Ph.D.	9/23/2021 ⁽⁷⁾	218,103	363,507	1.21	9/22/2031	—	—
Yingli Ma, Ph.D.	1/20/2022 ⁽⁸⁾	158,333	241,667	2.60	1/19/2032	—	—

⁽¹⁾ All of the share option and share awards were granted under the 2019 Plan, the terms of which plan is described below under "—Employee Benefit Plans—2019 Equity Incentive Plan."

⁽²⁾ All of the share option awards were granted with a per share exercise price equal to the fair market value of ordinary shares on the date of grant, as determined in good faith by our board of directors or compensation committee.

⁽³⁾ Since we have not yet completed this offering, the market value was computed using \$ per share, which is the midpoint of the price range set forth on the cover of this prospectus.

⁽⁴⁾ This restricted share award is subject to the terms of the share restriction agreement, dated April 29, 2019, with Dr. Stevens. One-fourth of the shares subject to the restricted share repurchase right vested and were released on April 29, 2020 and the remaining shares subject to the repurchase right vest and release in 36 equal monthly installments thereafter, subject to continued service through each such vesting date. In the event of a "change in control" (as defined in Dr. Stevens' share restriction agreement), the repurchase right will lapse and all of the then-unvested restricted shares subject to the repurchase right will automatically become fully vested.

⁽⁵⁾ One-fourth of the shares subject to the share option vested on May 16, 2020 and the remaining shares subject to the option vest in 36 equal monthly installments thereafter, subject to continued service through each such vesting date. The option is also subject to early exercise and is immediately exercisable as of the grant date.

⁽⁶⁾ The shares subject to the share option vest in 48 equal monthly installments, subject to continued service through each such vesting date.

⁽⁷⁾ One-fourth of the shares subject to the share option vested on June 21, 2022 and the remaining shares subject to the option vest in 36 equal monthly installments thereafter, subject to continued service through each such vesting date.

⁽⁸⁾ One-fourth of the shares subject to the share option vested on May 11, 2022 and the remaining shares subject to the option vest in 36 equal monthly installments thereafter, subject to continued service through each such vesting date.

Share options held by certain of our named executive officers are eligible for accelerated vesting under specified circumstances. See the subsection titled "—Potential Payments Upon Termination or Change in Control" below for a description of such potential acceleration.

We did not materially modify any outstanding equity awards held by our named executive officers in 2022.

Emerging Growth Company Status

We are an “emerging growth company,” as defined in the JOBS Act. As an emerging growth company, we will be exempt from certain requirements related to executive compensation, including the requirements to hold a nonbinding advisory vote on executive compensation and to provide information relating to the ratio of total compensation of our Chief Executive Officer to the median of the annual total compensation of all of our employees, each as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Act.

Nonqualified Deferred Compensation

We do not maintain nonqualified defined contribution plans or other nonqualified deferred compensation plans. Our board of directors may elect to provide our officers and other employees with nonqualified defined contribution or other nonqualified deferred compensation benefits in the future if it determines that doing so is in our best interests.

Employment Arrangements With Our Named Executive Officers

Below are descriptions of our employment arrangements with our named executive officers. For a discussion of the severance pay and other benefits to be provided in connection with a termination of employment and/or a change in control under the arrangements with our named executive officers, see the subsection titled “—Potential Payments Upon Termination or Change in Control” below.

Raymond Stevens, Ph.D. We entered into an executive employment agreement with Dr. Stevens in May 2019, which governs the current terms of his employment with us. The agreement has no specific term and provides for at-will employment. Pursuant to the agreement, Dr. Stevens is entitled to an annual base salary and is eligible to receive an annual performance bonus with a target equal to a pre-determined percentage of his annual base salary, based on the achievement of certain corporate and individual objectives as determined by our board of directors. Dr. Stevens’ agreement also provides for certain severance benefits which will be superseded by the Severance Plan (as defined below), as described below under “—Potential Payments Upon Termination or Change in Control.”

Mark Bach, M.D., Ph.D. We entered into an offer letter with Dr. Bach in April 2021, which governs the current terms of his employment with us. The agreement has no specific term and provides for at-will employment. Pursuant to the offer letter, Dr. Bach is entitled to an annual base salary and is eligible to receive an annual performance bonus with a target equal to a pre-determined percentage of his annual base salary, based on the achievement of certain corporate and individual objectives as determined by our board of directors. Dr. Bach’s offer letter also provides for certain severance benefits which will be superseded by the Severance Plan, as described below under “—Potential Payments Upon Termination or Change in Control.”

Yingli Ma, Ph.D. We entered into a new employment contract with Dr. Ma in November 2022 in connection with her appointment to serve as our Chief Technology Officer (referred to herein as the New Ma Employment Contract), which governs the current terms of her employment with us and which superseded and replaced the original employment contract we entered into with Dr. Ma in May 2021 (referred to herein as the Original Ma Employment Contract). Under the New Ma Employment Contract, Dr. Ma’s term of employment is for a fixed term, beginning on November 1, 2022 and ending on May 10, 2024. Pursuant to the New Ma Employment Contract, Dr. Ma is entitled to an annual base salary and is eligible to receive an annual performance bonus with a target equal to a pre-determined percentage of her annual base salary, based on the achievement of certain corporate and individual objectives as determined by our board of directors. In addition, on January 20, 2022, pursuant to the terms of the Original Ma Employment Contract, Dr. Ma was granted an initial share option to purchase 400,000 ordinary shares, as further described above under “—Equity-Based Incentive Awards.” The New Ma Employment Contract also provides for certain notice requirements, in accordance with applicable law.

Potential Payments Upon Termination or Change in Control

Regardless of the manner in which a named executive officer’s service terminates, each named executive officer is entitled to receive amounts earned during his or her term of service, such as unpaid salary, as applicable. In addition, Drs. Stevens and Bach are entitled to certain severance benefits under their executive employment agreement and offer letter, respectively, subject to their execution of a release of claims, return

of all company property, compliance with post-termination obligations and resignation from all positions with us; such benefits will be superseded by the Severance Plan, as described below. Dr. Ma, a PRC citizen, is subject to certain notice requirements, as described below.

Employment Arrangements

Dr. Stevens' executive employment agreement and Dr. Bach's offer letter each provide that, if the named executive officer's employment is terminated by us without "cause" (other than as a result of death or disability) or if the named executive officer resigns for "good reason" (each as defined in their respective executive employment agreement or offer letter, as applicable) outside of the "change in control period" (as defined below), he will be entitled to receive (i) continued payment of his then-current base salary for six months, (ii) for Dr. Stevens only, 50% of his annual bonus target for the year in which his involuntary termination occurs, (iii) payment for the preceding calendar year's annual bonus payment if the termination or resignation occurred prior to the receipt of such preceding calendar year's annual bonus payment (any such bonus payment referred to herein as the prior year bonus), (iv) premiums for COBRA continuation health coverage for up to six months, and (v) the unvested equity awards then held by named executive officer will accelerate vesting as if he had provided an additional six months of continued services following the date of separation.

In addition, pursuant to Dr. Stevens' executive employment agreement and Dr. Bach's offer letter, in the event their employment is terminated by us without "cause" (other than as a result of death or disability) or they resign for "good reason" (each as defined in their respective executive employment agreement or offer letter, as applicable) either three months prior to or within 12 months immediately following the consummation of a change in control (such period referred to herein as the change in control period), in lieu of the severance described above, they will be entitled to receive (i) a severance payment in the amount equal to their annual base salary plus their annual bonus target for the year in which their involuntary termination occurs, (ii) their prior year bonus, if applicable, (iii) premiums for COBRA continuation health coverage for up to 12 months, and (iv) the unvested equity awards then held by the named executive officer will become fully vested and immediately exercisable.

Further, in the event of either Dr. Stevens' or Dr. Bach's termination due to death or disability, they (or their heirs or estate, as applicable) will receive (i) their target annual bonus for the year in which the separation from service occurs, prorated for the number of days elapsed in the calendar year prior to the separation from service, *plus* (ii) their prior year bonus, if applicable.

Dr. Ma is subject to certain notice requirements pursuant to the New Ma Employment Contract. In the event of Dr. Ma's resignation, she must provide at least 30 days' written notice to the company, which period may be waived by us if requested or if otherwise deemed necessary. We may terminate the New Ma Employment Contract on any ground and in any circumstance permitted by applicable law, and we will provide prior notice or pay in lieu of notice if and as required under applicable law.

Our named executive officers' share options granted prior to the execution of the underwriting agreement for this offering are subject to the terms of the 2019 Plan; a description of the termination and change in control provisions in the 2019 Plan and share options granted thereunder is provided below under "—Employee Benefit Plans." Dr. Stevens' restricted shares are subject to potential vesting acceleration upon a "change in control" (as defined in Dr. Stevens' share restriction agreement evidencing his restricted shares), as described above in the Outstanding Equity Awards as of December 31, 2022 table.

Severance Plan

In January 2023, in connection with this offering, the board of directors approved a Severance and Change in Control Plan, or the Severance Plan, pursuant to which each of our named executive officers will become eligible to receive benefits under the terms of such plan. The Severance Plan will become effective upon the execution of the underwriting agreement related to this offering and will supersede the severance provisions in Dr. Stevens' and Dr. Bach's executive employment agreement and offer letter, respectively. The Severance Plan provides for severance and/or change in control benefits to our named executive officers upon (i) a "change in control termination" or (ii) a "regular termination" (each as described below). Upon a change in control termination, each of our named executive officers is entitled to a lump sum payment equal to a portion of their base salary (18 months for Dr. Stevens and 12 months for Drs. Bach and Ma), a lump sum payment equal to 150% (for Dr. Stevens) or 100% (for Drs. Bach and Ma) of their annual target cash bonus, payment of COBRA

premiums for a period of time (up to 18 months for Dr. Stevens and 12 months for Drs. Bach and Ma) and full accelerated vesting of outstanding time-vesting equity awards. To the extent an equity award is not assumed, continued or substituted for in the event of certain change in control transactions and the executive's employment is not terminated as of immediately prior to such change in control, the vesting of such equity award will also accelerate in full (and for equity awards subject to performance vesting, performance will be deemed to be achieved at target, unless otherwise provided in individual award documents). Upon a regular termination, Dr. Stevens is entitled to a lump sum payment equal to 100% of his annual target cash bonus, and each of Drs. Stevens, Bach and Ma is entitled to a lump sum payment equal to a portion of their base salary (12 months for Dr. Stevens and nine months for Drs. Bach and Ma), payment of COBRA premiums for a period of time (up to 12 months for Dr. Stevens and nine months for Drs. Bach and Ma) and partial accelerated vesting of outstanding time-vesting equity awards (12 months for Dr. Stevens and six months for Drs. Bach and Ma). All severance benefits under the Severance Plan are subject to the executive's execution of an effective release of claims against the company.

For purposes of the Severance Plan, a "regular termination" is an involuntary termination without "cause" (and not as a result of death or disability) or a resignation for "good reason," each as defined in the Severance Plan, in any case that does not occur during the period of time beginning three months prior to, and ending 12 months following, a "change in control", as defined in the 2023 Plan, or the "change in control period." For purposes of the Severance Plan, a "change in control termination" is an involuntary termination without cause (and not as a result of death or disability) or a resignation for good reason, in any case that occurs during the change in control period.

Other Compensation and Benefits

All of our named executive officers are eligible to participate in our employee benefit plans, including our medical, dental, vision and life insurance plans, in each case on the same basis as all of our other employees. We pay the premiums for the life, disability, accidental death and dismemberment insurance for all of our employees, including our named executive officers. We generally do not provide perquisites or personal benefits to our named executive officers.

Employee Benefit Plans

We believe that our ability to grant equity-based awards is a valuable and necessary compensation tool that aligns the long-term financial interests of our employees, consultants and directors with the financial interests of our shareholders. In addition, we believe that our ability to grant share options and other equity-based awards helps us to attract, retain and motivate employees, consultants and directors, and encourages them to devote their best efforts to our business and financial success. The principal features of our equity incentive plans and our 401(k) plan are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans, which, other than the 401(k) plan, are filed as exhibits to the registration statement of which this prospectus is a part.

2023 Equity Incentive Plan

Our board of directors adopted, and our shareholders approved, our 2023 Equity Incentive Plan, or the 2023 Plan, in January 2023. Our 2023 Plan provides for the grant of incentive share options, or ISOs, within the meaning of Section 422 of the Internal Revenue Code, or Code, to employees, including employees of any parent or subsidiary, and for the grant of nonstatutory share options, or NSOs, share appreciation rights, restricted share awards, restricted share unit awards, performance awards and other forms of share awards to employees, directors, and consultants, including employees and consultants of our affiliates. Our 2023 Plan is a successor to and continuation of our 2019 Plan and will become effective immediately prior to and contingent upon the execution of the underwriting agreement related to this offering. Except where the context indicates otherwise, and consistent with the terms of the 2023 Plan, references hereunder to an ordinary share shall be deemed to include the number of ADSs equal to an ordinary share.

Authorized Shares. Initially, the maximum number of ordinary shares that may be issued under our 2023 Plan after it becomes effective will be 20,589,597 ordinary shares, which is the sum of (i) 12,000,000 new ordinary shares, (ii) the number of ordinary shares that remain available for issuance under our 2019 Plan at the time our 2023 Plan becomes effective, and (iii) any ordinary shares subject to outstanding share options or other share awards that were granted under our 2019 Plan that are forfeited, terminate, expire or are otherwise

not issued. In addition, the number of ordinary shares reserved for issuance under our 2023 Plan will automatically increase on January 1 of each calendar year, starting on January 1, 2024 (assuming the 2023 Plan becomes effective in 2023) through January 1, 2033, in an amount equal to 4% of the total number of ordinary shares outstanding on the last day of the calendar month before the date of each automatic increase, or a lesser number of ordinary shares determined by our board of directors. The maximum number of ordinary shares that may be issued on the exercise of ISOs under our 2023 Plan is 62,000,000.

Ordinary shares subject to share awards granted under our 2023 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in ordinary shares, do not reduce the number of ordinary shares available for issuance under our 2023 Plan. Additionally, ordinary shares will become available for future grant under our 2023 Plan if they were issued under share awards under our 2023 Plan if we repurchase them or they are forfeited. This includes ordinary shares used to pay the exercise price of a share award or to satisfy the tax withholding obligations related to a share award.

Plan Administration. Our board of directors or a duly authorized committee of our board of directors (referred to herein as the plan administrator) will administer our 2023 Plan. Our board of directors may also delegate to one or more persons or bodies the authority to do one or more of the following: (1) designate recipients (other than officers) of specified share awards, provided that no person or body may be delegated authority to grant a share award to themselves; (2) determine the number of ordinary shares subject to such share awards; and (3) determine the terms of such share awards.

Under our 2023 Plan, our board of directors has the authority to determine and amend the terms of awards and underlying agreements, including:

- recipients;
- the exercise, purchase or strike price of share awards, if any;
- whether share awards will cover ordinary shares or ADSs;
- the number of ordinary shares subject to each share award;
- the vesting schedule applicable to the awards, together with any vesting acceleration; and
- the form of consideration, if any, payable on exercise or settlement of the award.

Under the 2023 Plan, the board of directors also generally has the authority to effect, with the consent of any adversely affected participant:

- the reduction of the exercise, purchase or strike price of any outstanding award;
- the cancellation of any outstanding award and the grant in substitution therefore of other awards, cash, or other consideration; or
- any other action that is treated as a repricing under generally accepted accounting principles.

Options. ISOs and NSOs are granted under share option agreements adopted by the plan administrator. The plan administrator determines the exercise price for options, within the terms and conditions of our 2023 Plan, provided that the exercise price of an option generally cannot be less than 100% of the fair market value of our ordinary shares on the date of grant. Options granted under our 2023 Plan vest at the rate specified in the share option agreement as determined by the plan administrator.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of our ordinary shares with respect to ISOs that are exercisable for the first time by an option holder during any calendar year under all of our share incentive plans may not exceed \$100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own shares possessing more than 10% of our total combined voting power or that of any of our affiliates unless (i) the option exercise price is at least 110% of the fair market value of the ordinary shares subject to the option on the date of grant and (ii) the option is not exercisable after the expiration of five years from the date of grant.

Restricted Share Unit Awards. Restricted share units are granted under restricted share unit award agreements adopted by the plan administrator. Restricted share units may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. A

restricted share unit may be settled by cash, delivery of ordinary shares, a combination of cash and ordinary shares as deemed appropriate by the plan administrator, or in any other form of consideration set forth in the restricted share unit agreement. Additionally, dividend equivalents may be credited in respect of ordinary shares covered by a restricted share unit. Except as otherwise provided in the applicable award agreement, restricted share units that have not vested will be forfeited once the participant's continuous service ends for any reason.

Restricted Share Awards. Restricted share awards are granted under restricted share award agreements adopted by the plan administrator. A restricted share award may be awarded in consideration for cash, check, bank draft or money order, past services to us, or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The plan administrator determines the terms and conditions of restricted share awards, including vesting and forfeiture terms. If a participant's service relationship with us ends for any reason, we may receive any or all of the ordinary shares held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

Share Appreciation Rights. Share appreciation rights are granted under share appreciation grant agreements adopted by the plan administrator. The plan administrator determines the purchase price or strike price for a share appreciation right, which generally cannot be less than 100% of the fair market value of our ordinary shares on the date of grant. A share appreciation right granted under our 2023 Plan vests at the rate specified in the share appreciation right agreement as determined by the plan administrator.

Performance Awards. Our 2023 Plan permits the grant of performance-based share and cash awards. The plan administrator may structure awards so that the ordinary shares, cash, or other property will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period.

The performance criteria that will be used to establish such performance goals may be based on any one of, or combination of, the following as determined by the plan administrator: earnings (including earnings per share and net earnings); earnings before interest, taxes and depreciation; earnings before interest, taxes, depreciation and amortization; total shareholder return; return on equity or average shareholder's equity; return on assets, investment, or capital employed; share price; margin (including gross margin); income (before or after taxes); operating income; operating income after taxes; pre-tax profit; operating cash flow; sales or revenue targets; increases in revenue or product revenue; expenses and cost reduction goals; improvement in or attainment of working capital levels; economic value added (or an equivalent metric); market share; cash flow; cash flow per share; share price performance; debt reduction; customer satisfaction; shareholders' equity; capital expenditures; debt levels; operating profit or net operating profit; workforce diversity; growth of net income or operating income; billings; pre-clinical development related compound goals; financing; regulatory milestones, including approval of a compound; shareholder liquidity; corporate governance and compliance; product commercialization; intellectual property; personnel matters; progress of internal research or clinical programs; progress of partnered programs; partner satisfaction; budget management; clinical achievements; completing phases of a clinical study (including the treatment phase); announcing or presenting preliminary or final data from clinical studies, in each case, whether on particular timelines or generally; timely completion of clinical trials; submission of INDs and NDAs and other regulatory achievements; partner or collaborator achievements; internal controls, including those related to the Sarbanes-Oxley Act of 2002; research progress, including the development of programs; investor relations, analysts and communication; manufacturing achievements (including obtaining particular yields from manufacturing runs and other measurable objectives related to process development activities); strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property); establishing relationships with commercial entities with respect to the marketing, distribution and sale of the Company's products (including with group purchasing organizations, distributors and other vendors); supply chain achievements (including establishing relationships with manufacturers or suppliers of active pharmaceutical ingredients and other component materials and manufacturers of the Company's products); co-development, co-marketing, profit sharing, joint venture or other similar arrangements; individual performance goals; corporate development and planning goals; and other measures of performance selected by the plan administrator.

The performance goals may be based on a company-wide basis, with respect to one or more business units, divisions, affiliates, or business segments, and in either absolute terms or relative to the performance of one or

more comparable companies or the performance of one or more relevant indices. Unless specified otherwise (i) in the award agreement at the time the award is granted or (ii) in such other document setting forth the performance goals at the time the goals are established, we will appropriately make adjustments in the method of calculating the attainment of performance goals as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by us achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (8) to exclude the effect of any change in the outstanding ordinary shares by reason of any share dividend or split, share repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to ordinary shareholders other than regular cash dividends; (9) to exclude the effects of share based compensation and the award of bonuses under our bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles; and (12) to exclude the effects of the timing of acceptance for review and/or approval of submissions to the FDA or any other regulatory body. In addition, we retain the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of the goals. The performance goals may differ from participant to participant and from award to award.

Other Share Awards. The plan administrator may grant other awards based in whole or in part by reference to our ordinary shares. The plan administrator will set the number of ordinary shares under the share award and all other terms and conditions of such awards.

Non-Employee Director Compensation Limit. The aggregate value of all compensation granted or paid to any non-employee director with respect to any calendar year, including share awards granted and cash fees paid by us to such non-employee director, will not exceed \$1,000,000 in total value (calculating the value of any such share awards based on the grant date fair value of such share awards for financial reporting purposes).

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a share split, reverse share split, or recapitalization, appropriate adjustments will be made to (i) the class and maximum number of ordinary shares reserved for issuance under our 2023 Plan, (ii) the class and maximum number of ordinary shares by which the share reserve may increase automatically each year, (iii) the class and maximum number of ordinary shares that may be issued on the exercise of ISOs, and (iv) the class and number of ordinary shares and exercise price, strike price, or purchase price, if applicable, of all outstanding share awards.

Corporate Transactions. The following applies to share awards under our 2023 Plan in the event of a corporate transaction, unless otherwise provided in a participant's share award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by the plan administrator at the time of grant.

In the event of a corporate transaction, any share awards outstanding under our 2023 Plan may be assumed, continued or substituted for by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us with respect to the share award may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such share awards, then with respect to any such share awards that are held by participants whose continuous service has not terminated prior to the effective time of the transaction, or current participants, the vesting (and exercisability, if applicable) of such share awards will be accelerated in full to a date prior to the effective time of the transaction (contingent upon the effectiveness of the transaction), and such share awards will terminate if not exercised (if applicable) at or prior to the effective time of the transaction, and any reacquisition or repurchase rights held by us with respect to such share awards will lapse (contingent upon the effectiveness of the transaction). With respect to performance awards with multiple vesting levels depending on performance level, unless otherwise provided by an award agreement or by the administrator, the award will accelerate at 100% of target. If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such share awards, then with respect to any

such share awards that are held by persons other than current participants, such awards will terminate if not exercised (if applicable) prior to the effective time of the transaction, except that any reacquisition or repurchase rights held by us with respect to such share awards will not terminate and may continue to be exercised notwithstanding the transaction. The plan administrator is not obligated to treat all share awards or portions of share awards in the same manner and is not obligated to take the same actions with respect to all participants.

In the event a share award will terminate if not exercised prior to the effective time of a transaction, the plan administrator may provide, in its sole discretion, that the holder of such share award may not exercise such share award but instead will receive a payment equal in value to the excess (if any) of (i) the value of the property the participant would have received upon the exercise of the share award, over (ii) any exercise price payable by such holder in connection with such exercise.

Under our 2023 Plan, a corporate transaction is defined to include: (i) a sale of all or substantially all of our assets; (ii) the sale or disposition of more than 50% of our outstanding securities; (iii) the consummation of a merger, consolidation or similar transaction where we do not survive the transaction; and (iv) the consummation of a merger, consolidation or similar transaction where we do survive the transaction but the ordinary shares outstanding before such transaction are converted or exchanged into other property by virtue of the transaction, unless otherwise provided in an award agreement or other written agreement between us and the award holder.

Change in Control. In the event of a change in control, as defined under our 2023 Plan, awards granted under our 2023 Plan will not receive automatic acceleration of vesting and exercisability, although this treatment may be provided for in an award agreement.

Under our 2023 Plan, a change in control is defined to include: (i) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding securities; (ii) a merger, consolidation or similar transaction in which our shareholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity); (iii) a sale, lease, exclusive license or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our shareholders; and (iv) an unapproved change in the majority of the board of directors.

Transferability. A participant may not transfer share awards under our 2023 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2023 Plan.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend, or terminate our 2023 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our shareholders. No ISOs may be granted after the tenth anniversary of the date our board of directors adopted our 2023 Plan. No share awards may be granted under our 2023 Plan while it is suspended or after it is terminated.

2019 Equity Incentive Plan

Our 2019 Plan was originally adopted by our board of directors and approved by our shareholders in April 2019; it was subsequently amended, most recently in December 2021. Our 2019 Plan allows for the grant of ISOs to employees, including employees of any parent or subsidiary, and for the grant of NSOs, share appreciation rights, restricted share awards, restricted share unit awards and other share awards to employees, directors and consultants, including employees and consultants of our affiliates. Once our 2023 Plan becomes effective, no further grants will be made under our 2019 Plan. Any outstanding awards granted under our 2019 Plan will remain subject to the terms of our 2019 Plan and applicable award agreements.

Authorized Shares. The maximum number of ordinary shares that may be issued under our 2019 Plan is 8,916,263 shares. Shares subject to share awards granted under our 2019 Plan that expire or otherwise terminate without being exercised in full or that are paid out in cash rather than in shares do not reduce the number of shares available for issuance under our 2019 Plan. If any shares issued pursuant to a share award are forfeited back to or repurchased by us for any reason, the shares that are forfeited or repurchased will revert to and again become available for issuance under the 2019 Plan. Any shares previously issued which are

reacquired in satisfaction of tax withholding obligations or as consideration for the exercise or purchase price of a share award will again become available for issuance under the 2019 Plan.

Plan Administration. Our board of directors or a duly authorized committee of our board of directors (referred to herein as the plan administrator) administers our 2019 Plan and the share awards granted under it. Under our 2019 Plan, the plan administrator has the authority to, among other things: (i) determine share award recipients; (ii) determine the form and terms of the share awards; (iii) determine the number of shares or other consideration subject to awards; (iv) determine the types of share awards to be granted; (v) determine the fair market value of our ordinary shares; (vi) construe and interpret the 2019 Plan and any agreement thereunder; (vii) construe and interpret the 2019 Plan and share awards granted under it; (viii) settle all controversies regarding the 2019 Plan and share awards; (ix) accelerate the vesting and exercisability of share awards; (x) suspend or terminate the 2019 Plan at any time; (xi) amend the 2019 Plan and share awards as it deems necessary or advisable, and to submit any amendments for shareholder approval as necessary; (xii) adopt procedures and sub-plans as necessary and appropriate for participants who are foreign nationals or employed outside the United States; and (xiii) make all other determinations necessary or advisable for the administration of the 2019 Plan.

Under the 2019 Plan, the plan administrator also generally has the authority to effect, with the consent of any adversely affected participant: (i) the reduction of the exercise, purchase, or strike price of any outstanding share award; (ii) the cancellation of any outstanding share award and the grant in substitution thereof of a new option, share appreciation right, restricted share award, restricted share unit award, share award, cash, or other consideration; or (iii) any other action that is treated as a repricing under generally accepted accounting principles.

Share Options. ISOs and NSOs are granted pursuant to share award agreements adopted by the plan administrator. The plan administrator determines the exercise price for a share option, within the terms and conditions of the 2019 Plan, provided that the exercise price of a share option generally cannot be less than 100% of the fair market value of our ordinary shares on the date of grant (or 110% of the fair market value for certain major shareholders). Share options granted under the 2019 Plan vest at the rate specified by the plan administrator. Acceptable consideration for the purchase of ordinary shares issued upon the exercise of a share option will be determined by the plan administrator and may include: (i) cash, check, bank draft or money order payable to us; (ii) subject to a program developed under Regulation T (as promulgated by the Federal Reserve Board) that, prior to the issuance of the ordinary shares subject to the share option, results in either the receipt of cash (or check) by us or the receipt of irrevocable instructions to pay the aggregate exercise price to us from the sales proceeds; (iii) by delivery to us of ordinary shares; (iv) by a cashless "net exercise" arrangement if the share option is an NSO; (v) a deferred payment arrangement; or (vi) other legal consideration approved by the plan administrator. The plan administrator determines the term of share options granted under the 2019 Plan, up to a maximum of 10 years (or five years in the case of certain major shareholders). The plan administrator shall determine the effect on a share award of the disability, death, retirement, authorized leave of absence, or any other change or purported change in a holder's status. Unless the plan administrator provides otherwise, share options generally are not transferable except by will, the laws of descent and distribution.

Restricted Share Awards. Restricted share awards are granted under restricted share award agreements adopted by the plan administrator. A restricted share award may be awarded in consideration for cash, check, bank draft or money order, past services to us, or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The plan administrator determines the terms and conditions of restricted share awards, including vesting and forfeiture terms. If a participant's service relationship with us ends for any reason, we may receive any or all of the ordinary shares held by the participant as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

Corporate Transactions. Our 2019 Plan provides that in the event of a "corporate transaction," unless otherwise provided in a share award agreement or other written agreement between us and the award holder, the plan administrator may take one or more of the following actions with respect to such share awards:

- arrange for the assumption, continuation, or substitution of a share award by a surviving or acquiring corporation, or a parent or subsidiary thereof;

- arrange for the assignment of any reacquisition or repurchase rights held by us to the surviving or acquiring corporation, or a parent or subsidiary thereof;
- accelerate the vesting, in whole or in part, of the share award and provide for its termination if not exercised (if applicable) at or before the effective time of the transaction;
- arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us;
- cancel or arrange for the cancellation of the share award, to the extent not vested or not exercised before the effective time of the transaction, in exchange for such cash consideration (including no consideration) as our board of directors, in its sole discretion, may consider appropriate; and
- make a payment equal to the excess, if any, of (i) the value of the property the participant would have received on exercise of the share award immediately before the effective time of the transaction, over (ii) any exercise price payable by the participant in connection with the exercise.

The plan administrator is not obligated to treat all share awards or portions of share awards in the same manner and is not obligated to treat all participants in the same manner. Under the 2019 Plan, a "corporate transaction" is generally defined as the consummation, in a single transaction or in a series of related transactions, of: (i) a sale of all or substantially all of our assets; (ii) the sale or disposition of at least 90% of our outstanding securities; (iii) a merger or consolidation where we do not survive the transaction; or (iv) a merger or consolidation where we do survive the transaction but our ordinary shares outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction.

Changes to Capital Structure. In the event of a "capitalization adjustment," the board of directors, in its discretion, will make appropriate and proportionate adjustments to (i) the class and maximum number of shares reserved for issuance under the 2019 Plan; (ii) the class and maximum number of shares that may be issued on the exercise of ISOs; and (iii) the class and number of shares and price per share subject to outstanding share awards. For purposes of the 2019 Plan, "capitalization adjustment" generally means any change that is made in (or other events occurring with respect to) our ordinary shares subject to the 2019 Plan or any share award without the receipt of consideration by us through merger, consolidation, reorganization, recapitalization, reincorporation, share dividend, dividend in property other than cash, large nonrecurring cash dividend, share split, reverse share split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or any similar equity restructuring transaction (within the meaning of Statement of FASB ASC Topic 718).

Change in Control. A share award may be subject to additional acceleration of vesting and exercisability upon or after a change in control as may be provided in an applicable share award agreement or other written agreement, but in the absence of such provision, no such acceleration will occur. Under the 2019 Plan, a "change in control" is generally defined as (i) a merger, consolidation or similar transaction in which, immediately after the consummation of such transaction, our shareholders as of immediately before the transaction do not own, directly or indirectly, more than 50% of the combined outstanding voting power of the surviving entity (or the parent of the surviving entity) in substantially the same proportions as their ownership immediately prior to such transaction; (ii) a sale, lease, exclusive license or other disposition of all or substantially all of our consolidated assets other than to an entity more than 50% of the combined voting power of which is owned by our shareholders in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction; or (iii) the approval by the shareholders or the board of directors of a plan of complete dissolution or liquidation of the company, or the occurrence of a complete dissolution or liquidation of the company, except for a liquidation into a parent corporation.

Transferability. A participant may not transfer share awards under our 2019 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2019 Plan or a share award granted thereunder.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend, or terminate our 2019 Plan; provided that no amendment of the 2019 Plan shall materially and adversely affect any outstanding share award without the consent of the affected holder. Certain material amendments require the approval of our shareholders. Unless terminated sooner, the 2019 Plan will automatically terminate April 17, 2029. No share awards may be granted under the 2019 Plan while it is suspended or after it is terminated.

2023 Employee Stock Purchase Plan

Our board of directors adopted, and our shareholders approved, our 2023 Employee Share Purchase Plan, or ESPP, in January 2023. Our ESPP will become effective immediately prior to and contingent upon the execution

of the underwriting agreement related to this offering. The purpose of our ESPP is to secure and retain the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. Our ESPP will include two components. One component will be designed to allow eligible U.S. employees to purchase our ordinary shares in a manner that may qualify for favorable tax treatment under Section 423 of the Code. The other component will permit the grant of purchase rights that do not qualify for such favorable tax treatment in order to allow deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the United States while complying with applicable foreign laws. Except where the context indicates otherwise, and consistent with the terms of the ESPP, references hereunder to an ordinary share shall be deemed to include the number of ADSs equal to an ordinary share.

Share Reserve. Following this offering, our ESPP will authorize the issuance of 1,000,000 ordinary shares under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of ordinary shares reserved for issuance will automatically increase on January 1 of each calendar year, beginning on January 1, 2024 (assuming our ESPP becomes effective in 2023) through January 1, 2033, by the lesser of (i) 1% of the total number of our outstanding share capital on the last day of the calendar month before the date of the automatic increase; and (ii) 3,000,000 ordinary shares; provided that before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (i) and (ii).

Administration. Our board of directors, or a duly authorized committee thereof, will administer our ESPP. Our ESPP will be implemented through a series of offerings under which eligible employees are granted purchase rights to purchase ordinary shares on specified dates during such offerings. Under our ESPP, we may specify offerings with durations of not more than 27 months, and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which ordinary shares will be purchased for employees participating in the offering. An offering under our ESPP may be terminated under certain circumstances.

Payroll Deductions. Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, may participate in our ESPP and may contribute, normally through payroll deductions, up to 15% of their earnings (as defined in our ESPP) for the purchase of our ordinary shares under our ESPP. Unless otherwise determined by our board of directors, ordinary shares will be purchased for the accounts of employees participating in our ESPP at a price per share that is at least the lesser of: (i) 85% of the fair market value of an ordinary share on the first date of an offering; or (ii) 85% of the fair market value of an ordinary share on the date of purchase.

Limitations. Employees may have to satisfy one or more of the following service requirements before participating in our ESPP, as determined by our board of directors, including: (i) customary employment with us or one of our affiliates for more than 20 hours per week and more than five months per calendar year; or (ii) continuous employment with us or one of our affiliates for a minimum period of time (not to exceed two years). No employee may purchase shares under our ESPP at a rate in excess of \$25,000 worth of our ordinary shares based on the fair market value per share of our ordinary shares at the beginning of an offering for each year such a purchase right is outstanding. Finally, no employee will be eligible for the grant of any purchase rights under our ESPP if immediately after such rights are granted, such employee has voting power over 5% or more of our outstanding share capital measured by vote or value under Section 424(d) of the Code.

Changes to Capital Structure. In the event that there occurs a change in our capital structure through such actions as a share split, merger, consolidation, reorganization, recapitalization, reincorporation, share dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or similar transaction, the board of directors will make appropriate adjustments to: (i) the class(es) and maximum number of ordinary shares reserved under our ESPP; (ii) the class(es) and maximum number of ordinary shares by which the share reserve may increase automatically each year; (iii) the class(es) and maximum number of ordinary shares and purchase price of all outstanding purchase rights; and (iv) the class(es) and maximum number of ordinary shares that are subject to purchase limits under ongoing offerings.

Corporate Transactions. In the event of certain significant corporate transactions, including: (i) a sale of all or substantially all of our assets; (ii) the sale or disposition of more than 50% of our outstanding securities; (iii) the consummation of a merger or consolidation where we do not survive the transaction; and (iv) the consummation of a merger or consolidation where we do survive the transaction but the ordinary shares outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction, any then-outstanding rights to purchase our shares under our ESPP may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase our ordinary shares within ten business days before such corporate transaction, and such purchase rights will terminate immediately after such purchase.

ESPP Amendment or Termination. Our board of directors will have the authority to amend or terminate our ESPP, provided that except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain shareholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

401(k) Plan

We maintain a 401(k) plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees are able to defer eligible compensation up to certain Code limits, which are updated annually. For 2022, we make safe-harbor matching contributions of 100% of each dollar contributed by eligible employees, up to 4% of an employee's eligible compensation. We may also make discretionary contributions to the 401(k) plan. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, with the related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made, and contributions and earnings on those amounts are not generally taxable to the employees until withdrawn or distributed from the 401(k) plan.

Non-Employee Director Compensation

The following table sets forth information regarding the compensation earned or paid to our non-employee directors during the fiscal year ended December 31, 2022.

NAME	FEES EARNED OR PAID IN CASH (\$)	OPTION AWARDS \$(2)(3)	TOTAL (\$)
Daniel G. Welch ⁽¹⁾	224,000	2,200,215	2,424,215
Ramy Farid, Ph.D.	—	—	—
Jessica Lifton	—	—	—
Sharon Tetlow ⁽¹⁾	48,000	165,841	213,841
Chen Yu, M.D.	—	—	—
Eric Dobmeier ⁽¹⁾	1,467	217,353	218,820
Joanne Waldstreicher, M.D. ⁽¹⁾	1,467	217,353	218,820

⁽¹⁾ The director is party to a board service agreement, which shall automatically terminate immediately upon the closing of this offering.

⁽²⁾ The amount disclosed represents the aggregate grant date fair value of the share option granted to our non-employee directors during fiscal year 2022 under our 2019 Equity Incentive Plan, computed in accordance with FASB ASC Topic 718. This amount does not reflect the actual economic value that may be realized by the director.

⁽³⁾ As of December 31, 2022, (i) Mr. Welch held an option to purchase 1,179,122 ordinary shares, which is subject to early exercise; (ii) Ms. Tetlow held an option to purchase 80,000 ordinary shares, which is subject to early exercise; (iii) Mr. Dobmeier held an option to purchase 80,000 ordinary shares, none of which were vested as of such date; and (iv) Dr. Waldstreicher held an option to purchase 80,000 ordinary shares, none of which were vested as of such date.

We entered into a board service agreement with Daniel G. Welch, pursuant to which, starting on January 1, 2022, Mr. Welch will be: (i) compensated \$160,000 per fiscal year for services performed as a member of the board of directors and up to \$64,000 per fiscal year to serve as the Chairman of the board of directors; and (ii) awarded a share option for 1,179,122 ordinary shares, which was granted in January 2022 under the 2019

Plan. One-third of the shares subject to the share option will vest on the one-year anniversary of the vesting commencement date, with the remaining shares vesting in a series of 24 equal monthly installments, subject to his continued service through each such date.

We entered into a board service agreement with Sharon Tetlow, pursuant to which, starting on March 14, 2022, Ms. Tetlow will be: (i) compensated \$45,000 per fiscal year for services performed as a member of the board of directors and \$15,000 per fiscal year to serve as the Chair of the Audit Committee of the board of directors; and (ii) awarded a share option for 80,000 ordinary shares, which was granted in May 2022 under the 2019 Plan. One-third of the shares subject to the share option will vest on the one-year anniversary of the vesting commencement date, with the remaining shares vesting in a series of 24 equal monthly installments, subject to her continued service through each such date.

We entered into a board service agreement with Eric Dobmeier, pursuant to which, starting on December 20, 2022, Mr. Dobmeier will be: (i) compensated \$45,000 per fiscal year for services performed as a member of the board of directors; and (ii) awarded a share option for 80,000 ordinary shares, which was granted in December 2022 under the 2019 Plan. One-third of the shares subject to the share option will vest on the one-year anniversary of the vesting commencement date, with the remaining shares vesting in a series of 24 equal monthly installments, subject to his continued service through each such date.

We entered into a board service agreement with Joanne Waldstreicher, pursuant to which, starting on December 20, 2022, Dr. Waldstreicher will be: (i) compensated \$45,000 per fiscal year for services performed as a member of the board of directors; and (ii) awarded a share option for 80,000 ordinary shares, which was granted in December 2022 under the 2019 Plan. One-third of the shares subject to the share option will vest on the one-year anniversary of the vesting commencement date, with the remaining shares vesting in a series of 24 equal monthly installments, subject to her continued service through each such date.

Pursuant to their terms, the board service agreements we entered into with Mr. Welch, Ms. Tetlow, Mr. Dobmeier and Dr. Waldstreicher will each automatically terminate immediately upon the closing of this offering.

We have reimbursed and will continue to reimburse all of our non-employee directors for their reasonable out-of-pocket expenses incurred in attending board of directors and committee meetings.

Our board of directors adopted a non-employee director compensation policy in January 2023 that will become effective upon the execution of the underwriting agreement related to this offering and will be applicable to all of our non-employee directors. This compensation policy provides that each such non-employee director will receive the following compensation for service on our board of directors, which amounts were determined after carefully considering market data and recommendations from our independent compensation consultant:

- an annual cash retainer of \$45,000;
- an additional cash retainer of \$179,000 for service as chair of the company, in recognition of Mr. Welch's significant contributions to our board of directors;
- an additional annual cash retainer of \$7,500, \$5,000 and \$4,000 for service as a member of the audit committee, compensation committee and the nominating and governance committee, respectively;
- an additional annual cash retainer of \$15,000, \$10,000 and \$8,000 for service as chair of the audit committee, compensation committee and the nominating and governance committee, respectively;
- an initial share option to purchase 90,000 of our ordinary shares on the date of each such non-employee director's appointment to our board of directors, vesting in 36 equal monthly installments; and
- an annual share option to purchase 45,000 of our ordinary shares on the date of each of our annual shareholder meetings, vesting in 12 equal monthly installments (and will be fully vested on the day immediately preceding the next annual shareholder meeting, if sooner).

Each share option described above will be granted under our 2023 Plan, the terms of which are described in more detail above under the section titled "Executive and Director Compensation—Employee Benefit Plans—2023 Equity Incentive Plan." The term of each share option will be ten years, subject to earlier termination as provided in the 2023 Plan, provided that upon a termination of continuous service other than for death or "cause" (as such term is defined in the 2023 Plan), the post-termination exercise period will be 12 months from the date of termination. Each share option will vest subject to the director's continuous service with us, provided that each share option will vest in full upon a change in control of the company.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions since January 1, 2019 and any currently proposed transactions, to which we were or are to be a participant, in which (i) the amount involved exceeded or will exceed the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years; and (ii) any of our directors, executive officers or holders of more than 5% of our issued share capital, or any affiliate or member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest, other than compensation and other arrangements that are described under the section titled "Executive and Director Compensation."

Share Exchanges

Delaware to Cayman Share Exchange

In April 2019, we entered into a share exchange agreement with ShouTi LLC (the predecessor of ShouTi Inc., a Delaware corporation), Annapurna Bio, Inc., Gasherbrum Bio, Inc., and all of their respective holders, pursuant to which we issued an aggregate of 10,766,249 of our ordinary shares in exchange for all the outstanding securities held by such holders. In connection with such share exchange, ShouTi LLC converted to a Delaware corporation and was re-named as ShouTi Inc., which became our wholly owned subsidiary. In June 2022, ShouTi Inc. was re-named as Structure Therapeutics USA Inc.

The table below sets forth the number of our ordinary shares issued in such share exchange to the holders of ShouTi LLC, Annapurna Bio, Inc. and Gasherbrum Bio Inc., respectively, who are our executive officers, directors, holders of more than 5% of our issued share capital and their affiliated entities or immediate family members.

NAME	SHOUTI LLC INTERESTS (#)	ORDINARY SHARES (#)
Executive Officers and Directors:		
Raymond Stevens, Ph.D.	980	979,999
Jun Yoon	980	980,000

NAME	ANNAPURNA BIO., INC. COMMON STOCK (#)	ORDINARY SHARES (#)
Executive Officers and Directors:		
Raymond Stevens Ph.D.	637,000	1,274,000
Jun Yoon	637,000	1,274,000

NAME	GASHERBRUM BIO., INC. COMMON STOCK (#)	ORDINARY SHARES (#)
Executive Officers and Directors:		
Raymond Stevens Ph.D.	637,000	637,000
Jun Yoon	637,000	637,000

Series B-1 Convertible Preferred Share Exchange

In December 2021, we entered into a share exchange agreement with Basecamp Bio, a Cayman Islands exempted company limited by shares, and certain holders of the Basecamp Bio series seed shares, or the Basecamp Shares, pursuant to which, the holders of such shares exchanged an aggregate of 7,000,000 Basecamp Shares for 2,161,402 of our Series B-1 convertible preferred shares of the company. Each one Basecamp Share was exchanged for 0.30877158 of our Series B-1 convertible preferred shares, rounded to the nearest whole share. As a result of such share exchange, Basecamp Bio became our wholly owned subsidiary.

The table below sets forth the number of shares of our Series B-1 convertible preferred shares issued in such share exchange to our executive officers, directors, holders of more than 5% of our issued share capital and their affiliated entities or immediate family members. Each Series B-1 preferred share in the table below will automatically convert into and be re-designated as one ordinary share immediately upon the closing of this offering.

NAME	BASECAMP BIO SERIES SEED SHARE (#)	SERIES B-1 CONVERTIBLE PREFERRED SHARE (#)
Greater than 5% shareholders:		
ERVC Healthcare V, L.P.	1,600,000	494,035
F-Prime Capital Partners Life Sciences Fund VI LP	1,500,000	463,157
SCC Seed II Holdco, Ltd.	1,100,000	339,649
BSCP Holdings Limited	1,100,000	339,649

Financings

Series A Convertible Preferred Share Financing

In April 2019, we entered into a Series A preferred share purchase agreement with various investors, pursuant to which, in two separate tranches, we issued and sold an aggregate of 19,200,000 shares of our Series A convertible preferred shares at a price per share of \$1.6667 for gross proceeds of \$32.0 million.

The table below sets forth the number of shares of our Series A convertible preferred share purchased by our executive officers, directors, holders of more than 5% of our issued share capital and their affiliated entities or immediate family members. Each Series A preferred share in the table below will automatically convert into and be re-designated as one ordinary share immediately upon the closing of this offering.

NAME	SERIES A CONVERTIBLE PREFERRED SHARE (#)	AGGREGATE PURCHASE PRICE (\$)
Greater than 5% shareholders:		
ERVC Healthcare IV, L.P.	5,400,000	9,000,180
F-Prime Capital Partners Life Sciences Fund VI LP	4,800,000	8,000,160
SCC Venture VII Holdco I, Ltd.	4,200,000	7,000,140
Entities affiliated with Qiming	3,000,000	5,000,100

Series A+ Convertible Preferred Share Financing

In March 2020, we entered into a Series A+ preferred share purchase agreement with various investors, pursuant to which we issued and sold an aggregate of 12,799,681 shares of our Series A+ convertible preferred shares at a price per share of \$2.0313 for gross proceeds of \$26.0 million.

The table below sets forth the number of shares of our Series A+ convertible preferred shares purchased by our executive officers, directors, holders of more than 5% of our issued share capital and their affiliated entities or immediate family members. Each Series A+ preferred share in the table below will automatically convert into and be re-designated as one ordinary share immediately upon the closing of this offering.

NAME	SERIES A+ CONVERTIBLE PREFERRED SHARE (#)	AGGREGATE PURCHASE PRICE (\$)
Greater than 5% shareholders:		
ERVC Healthcare IV, L.P.	676,906	1,374,999
F-Prime Capital Partners Life Sciences Fund VI LP	676,906	1,374,999
SCC Venture VII Holdco I, Ltd.	2,461,477	4,999,998
Entities affiliated with Qiming	1,199,970	2,437,499
XX-I SHT Holdings Limited	4,922,955	9,999,999

Series B Convertible Preferred Share Financing

In a series of closings in July 2021 and April 2022, we entered into a Series B preferred share purchase agreement with various investors, pursuant to which we issued and sold an aggregate of 32,857,004 shares of our Series B convertible preferred shares at a price per share of \$4.0483 for gross proceeds of \$133.0 million.

The table below sets forth the number of shares of our Series B convertible preferred shares purchased by our executive officers, directors, holders of more than 5% of our issued share capital and their affiliated entities or immediate family members. Each Series B preferred share in the table below will automatically convert into and be re-designated as one ordinary share immediately upon the closing of this offering.

NAME	SERIES B CONVERTIBLE PREFERRED SHARE (#)	AGGREGATE PURCHASE PRICE (\$)
Greater than 5% shareholders:		
ERVC Healthcare IV, L.P.	494,035	2,000,002
F-Prime Capital Partners Life Sciences Fund VI LP	494,035	2,000,002
SCC Venture VII Holdco I, Ltd.	988,070	4,000,004
Entities affiliated with Qiming.	494,035	2,000,002
XX-I SHT Holdings Limited	988,070	4,000,004
Deep Track Biotechnology Master Fund, Ltd.	4,940,345	19,999,999
Entities affiliated with BVF Partners L.P. ⁽¹⁾	7,410,518	30,000,000

⁽¹⁾ Jessica Lifton, a member of our board directors, is a Principal at BVF Partners.

Investors' Rights, Management, Voting and Co-Sale Agreements

In connection with our convertible preferred share financings, we entered into investors' rights, voting and right of first refusal and co-sale agreements containing registration rights, information rights, rights of first offer, voting rights and rights of first refusal, among other things, with certain holders of our shares. The holders of more than 5% of our issued share capital listed above are parties to these agreements. Our executive officers and directors who are parties to these agreements or who are related to parties to these agreements are Dr. Stevens, Mr. Yoon, Dr. Yu, Mr. Farid and Ms. Lifton.

These shareholder agreements will terminate upon the closing of this offering, except for the registration rights granted under our investors' rights agreement, which will terminate upon the earliest of (i) the closing of a liquidation event; (ii) the fifth year anniversary of the consummation of an initial public offering; and (iii) at such time, following an initial public offering, when all registrable securities held by each shareholder can be sold without limitation and without registration in compliance with pursuant to Rule 144 of the Securities Act, or Rule 144. For a description of the registration rights, see the section titled "Ordinary Shares and American Depositary Shares Eligible for Future Sale—Registration Rights."

Initial Public Offering Participation Rights

We entered into a letter agreement in July 2021, as amended in December 2021, with Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P., and Biotechnology Value Trading Fund OS, L.P., or collectively, BVF, a beneficial owner of more than 5% of our issued share capital. The letter agreement grants BVF a participation right to purchase in this offering its pro-rata percentage of the total number of ADSs sold in this offering as calculated immediately prior to this offering, at the public offering price, subject to compliance with applicable securities laws. The letter agreement further provides that, under certain circumstances in which BVF is unable to participate in this offering, we are required to offer BVF our ordinary shares through a separate private placement to be concurrent with this offering. We anticipate that any offer made pursuant to these rights will be made in connection with this offering.

Certain Transactions with Schrödinger***Annapurna Collaboration***

In February 2017, our wholly-owned subsidiary, Annapurna Bio, Inc. entered into a Collaboration Agreement, or the Annapurna Collaboration, with Schrödinger, LLC, a wholly-owned subsidiary of Schrödinger, or collectively, the Schrödinger Entities, to discover and develop novel, orally bioavailable, small molecule inhibitors of the apelin receptor. In consideration for its performance of activities under the Annapurna Collaboration, the Schrödinger Entities received approximately 600,000 shares of common stock of Annapurna Bio, Inc., which were exchanged for 1,200,000 of our ordinary shares in 2019. Ramy Farid, Ph.D., is Chief Executive Officer of Schrödinger and a member of our board of directors. The Annapurna Collaboration expired in February 2020.

Gasherbrum Collaboration

In April 2017, our wholly-owned subsidiary, Gasherbrum Bio, Inc. entered into a Collaboration Agreement, or the Gasherbrum Collaboration, with the Schrödinger Entities, to discover and develop novel, orally bioavailable, small molecule inhibitors of GLP1R. In consideration for its performance of activities under the Gasherbrum Collaboration, the Schrödinger Entities received approximately 600,000 shares of common stock of Gasherbrum Bio, Inc., which were exchanged for 600,000 of our ordinary shares in 2019. Ramy Farid, Ph.D., is Chief Executive Officer of Schrödinger and a member of our board of directors. The Gasherbrum Collaboration expired in April 2020.

Lhotse Collaboration

In October 2020, our wholly-owned subsidiary, Lhotse entered into a Collaboration Agreement with Schrödinger, LLC. For more information regarding this agreement, see the section titled "Business—Lhotse Collaboration Agreement with Schrödinger, LLC."

Employment Arrangements and Indemnification Agreements

We have entered into employment agreements and offer letters with certain of our executive officers. For more information regarding these agreements with our executive officers, see the section titled "Executive and Director Compensation—Employment Arrangements with Our Named Executive Officers."

We have entered into indemnification agreements with certain of our current directors and executive officers, and intend to enter into new indemnification agreements with each of our current directors and executive officers before the completion of this offering. We also maintain a general liability insurance policy which covers certain liabilities of our directors and executive officers arising out of claims based on acts or omissions in their capacities as directors or officers.

Policies and Procedures for Related Party Transactions

We have adopted a written related-person transactions policy prior to the completion of this offering that sets forth our policies and procedures regarding the identification, review, consideration and oversight of "related-person transactions." For purposes of our policy only, a "related-person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any "related person" are participants involving an amount that exceeds \$120,000. Transactions involving

compensation for services provided to us as an employee, consultant or director are not considered related-person transactions under this policy. A related person is any executive officer, director, nominee to become a director or a holder of more than five percent of our common stock, including any of their immediate family members and affiliates, including entities owned or controlled by such persons.

Under the policy, where a transaction has been identified as a related-person transaction, management must present information regarding the proposed related-person transaction to our audit committee (or, where review by our audit committee would be inappropriate, to another independent body of our board of directors) for review. The presentation must include a description of, among other things, all of the parties thereto, the direct and indirect interests of the related persons, the purpose of the transaction, the material facts, the benefits of the transaction to us and whether any alternative transactions are available, an assessment of whether the terms are comparable to the terms available from unrelated third parties and management's recommendation. To identify related-person transactions in advance, we rely on information supplied by our executive officers, directors and certain significant stockholders. In considering related-person transactions, our audit committee or another independent body of our board of directors takes into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties.

In the event a director has an interest in the proposed transaction, the director must recuse himself or herself from the deliberations and approval.

Directed Share Program

At our request, the underwriters have reserved up to 5% of the ADSs offered by this prospectus, excluding the additional ADSs that the underwriters have a 30-day option to purchase, for sale, at the initial public offering price, to certain of our directors, officers, employees, and other persons related to the company. If purchased by our directors and officers, these ADSs will be subject to a 180-day lock-up restriction. The number of ADSs available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved ADSs that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus. See the section titled "Underwriting—Directed Share Program" for additional information.

PRINCIPAL SHAREHOLDERS

The following table sets forth, as of December 31, 2022, information regarding beneficial ownership of ordinary shares by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our issued share capital;
- each of our named executive officers;
- each of our directors; and
- all of our current executive officers and directors as a group.

The percentage ownership information under the column titled "Before Offering" is based on 77,544,741 ordinary shares outstanding as of December 31, 2022 assuming the conversion of all outstanding preferred shares into an aggregate of 67,018,087 ordinary shares in connection with the closing of this offering.

The percentage ownership information under the column titled "After Offering" is based on the sale of 26,850,000 ordinary shares represented by ADSs in this offering. The percentage ownership information assumes no purchases of any ADSs pursuant to the directed share program described in the section titled "Underwriting—Directed Share Program" or otherwise by the beneficial owners identified in the table below.

Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security. In addition, the rules include ordinary shares issuable upon the exercise of options that are currently exercisable or exercisable within 60 days of December 31, 2022. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The information contained in the following table does not necessarily indicate beneficial ownership for any other purpose. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Unless otherwise noted below, the address for each beneficial owner listed in the table below is c/o Structure Therapeutics Inc., 611 Gateway Blvd., Suite 223, South San Francisco, CA 94080.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENTAGE OF SHARES BENEFICIALLY OWNED	
		BEFORE OFFERING	AFTER OFFERING
Greater than 5% Shareholders:			
Entities affiliated with ERVC Healthcare IV, L.P. ⁽¹⁾	6,473,761	8.35%	6.20%
Entities affiliated with F-Prime Capital Partners Life Sciences Fund VI LP ⁽²⁾	5,816,554	7.50%	5.57%
Entities affiliated with Qiming ⁽³⁾	4,941,022	6.37%	4.73%
Entities affiliated with XX-I SHT Holdings Limited ⁽⁴⁾	6,250,674	8.06%	5.99%
Entities affiliated with Biotechnology Value Fund ⁽⁵⁾	7,410,518	9.56%	7.10%
Entities affiliated with Sequoia Capital China ⁽⁶⁾	7,989,196	10.30%	7.65%
Deep Track Biotechnology Master Fund, Ltd. ⁽⁷⁾	4,940,345	6.37%	4.73%
Named Executive Officers and Directors:			
Raymond Stevens, Ph.D. ⁽⁸⁾	2,998,857	3.85%	2.86%
Jun Yoon ⁽⁹⁾	2,753,666	3.54%	2.63%
Mark Bach, M.D., Ph.D. ⁽¹⁰⁾	242,337	*	*
Yingli Ma, Ph.D. ⁽¹¹⁾	175,000	*	*
Daniel G. Welch ⁽¹²⁾	1,302,630	1.65%	1.23%
Sharon Tetlow ⁽¹³⁾	80,000	*	*
Ramy Farid, Ph.D. ⁽¹⁴⁾	3,260,495	4.20%	3.12%
Jessica Lifton	—	—	—
Chen Yu, M.D. ⁽¹⁵⁾	3,458,242	4.46%	3.31%
Eric Dobmeier	—	—	—
Joanne Waldstreicher, M.D.	—	—	—
All current executive officers and directors as a group (13 persons) ⁽¹⁶⁾	14,892,457	18.53%	13.89%

* Represents beneficial ownership of less than 1%.

(1) Consists of (i) 624,239 ordinary shares issuable upon conversion of convertible preferred shares held by ERVC Healthcare IV, L.P.; (ii) 494,035 ordinary shares issuable upon conversion of convertible preferred shares held by ERVC Healthcare V, L.P.; (iii) 89,201 ordinary shares issuable upon conversion of convertible preferred shares held by ERVC Healthcare Advisors IV, L.P. and (iv) 5,266,286 ordinary shares issuable upon conversion of convertible preferred shares held by Eight Roads Investments. The general partner of ERVC Healthcare IV, L.P. is ERVC Healthcare Advisors IV, L.P. The general partner of ERVC Healthcare V, L.P. is ERVC Healthcare Advisors V, L.P. The general partner of ERVC Healthcare Advisors IV, L.P. and ERVC Healthcare Advisors V, L.P. is Eight Roads GP, which is ultimately controlled by Eight Roads Shareholdings Limited. Eight Roads Investments is ultimately controlled by Eight Roads Shareholdings Limited. Allan Pelvang is deemed to be the natural person who controls Eight Roads Shareholdings Limited, being its Senior Manager. The above entities and certain other entities related to the above entities are subject to a voting limitation that prevents these entities from voting any shares in excess of 4.99% (in the aggregate) of our total outstanding voting securities on certain matters. The address of the above entities is Pembroke Hall, 42 Crow Lane, Pembroke, Bermuda HM 19.

(2) Consists of (i) 965,115 ordinary shares issuable upon conversion of convertible preferred shares held by F-Prime Capital Partners Life Sciences Fund VI LP; (ii) 2,234,648 ordinary shares issuable upon conversion of convertible preferred shares held by an entity managed by Impresa Management LLC; (iii) 2,534,756 ordinary shares issuable upon conversion of convertible preferred shares held by an entity managed by Impresa Management LLC; and (iv) 82,035 ordinary shares issuable upon conversion of convertible preferred shares held by F-Prime Capital Partners Life Sciences Advisors Fund VI LP. The general partner of F-Prime Capital Partners Life Sciences Fund VI LP is F-Prime Capital Partners Life Sciences Advisors Fund VI LP. F-Prime Capital Partners Life Sciences Advisors Fund VI LP is solely managed by Impresa Management LLC, the managing member of its general partner and its investment manager. Impresa Management LLC is owned, directly or indirectly, by various shareholders and employees of FMR LLC. Impresa Management LLC is managed on a day-to-day basis by its Chief Financial Officer, Matthew Borden, and as such, Mr. Borden may be deemed to have voting and dispositive power with respect to all shares held by the above entities. The individual and each of the entities listed above expressly disclaims beneficial ownership of the securities listed above not directly held by such individual or entity. The above entities and certain other entities related to the above entities are subject to a voting limitation that prevents these entities from voting any shares in excess of 4.99% (in the aggregate) of our total outstanding voting securities on certain matters. The address of the above entities is 245 Summer Street, Boston, MA 02210.

(3) Consists of (i) 4,811,551 ordinary shares issuable upon conversion of convertible preferred shares held by Qiming Venture Partners VI, L.P. and (ii) 129,471 ordinary shares issuable upon conversion of convertible preferred shares held by Qiming Managing Directors Fund VI, L.P. The general partner of Qiming Venture Partners VI, L.P. is Qiming GP VI, L.P., a Cayman Islands exempted limited partnership, whose general partner is Qiming Corporate GP VI, Ltd., a Cayman Islands limited company which is also the general partner of Qiming Managing Directors Fund VI, L.P. The voting and investment power of the shares held by Qiming Venture Partners VI, L.P. and Qiming Managing Directors Fund VI, L.P. in the company is exercised by Qiming Corporate GP VI, Ltd., which is beneficially owned by Duane Kuang, Gary Riesel, Nisa Leung and Robert Headley, who disclaim beneficial ownership of such shares, except to the extent of any pecuniary interest therein. The address for each of the entities is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

(4) Consists of (i) 5,911,025 ordinary shares issuable upon conversion of convertible preferred shares held by XX-I SHT Holdings Limited and (ii) 339,649 ordinary shares issuable upon conversion of convertible preferred shares held by BSCP Holdings Limited. XX-I SHT Holdings Limited and BSCP Holdings Limited are incorporated in the Cayman Islands and are wholly owned by Hillhouse Fund IV, L.P. Hillhouse Investment Management, Ltd., or HIM, acts as the sole management company of Hillhouse Fund IV, L.P. HIM is deemed to be the beneficial owner of, and to control the voting power of, the shares held by XX-I SHT Holdings Limited and BSCP Holdings Limited, respectively. Mr. Lei Zhang may be deemed to have controlling power over HIM. Mr. Lei Zhang disclaims beneficial ownership of all of the shares held by XX-I SHT Holdings Limited and BSCP Holdings Limited, except to the extent of his pecuniary interest therein. The address of XX-I SHT Holdings Limited and BSCP Holdings Limited is 89 Nexus Way, Carmana Bay, PO Box 31106, Grand Cayman KY1-1205, Cayman Islands.

- (5) Consists of (i) 4,018,253 ordinary shares issuable upon conversion of convertible preferred shares held by Biotechnology Value Fund, L.P., or BVF1, (ii) 2,929,660 ordinary shares issuable upon conversion of convertible preferred shares held by Biotechnology Value Fund II, L.P., or BVF2, and (iii) 462,605 ordinary shares issuable upon conversion of convertible preferred shares held by Biotechnology Value Trading Fund OS, L.P., or Trading Fund OS. BVF 1 GP LLC, or BVF GP, as the general partner of BVF1, may be deemed to beneficially own the shares beneficially owned by BVF1. BVF II GP LLC, or BVF2 GP, as the general partner of BVF2, may be deemed to beneficially own the shares beneficially owned by BVF2. BVF Partners OS Ltd., or Partners OS, as the general partner of Trading Fund OS, may be deemed to beneficially own the shares beneficially owned by Trading Fund OS. BVF GP Holdings LLC, or BVF GPH, as the sole member of each of BVF GP and BVF2 GP, may be deemed to beneficially own the shares beneficially owned in the aggregate by BVF1 and BVF2. BVF Partners L.P., or BVF Partners, as the investment manager of BVF1, BVF2, Trading Fund OS and the sole member of Partners OS, may be deemed to beneficially own the shares beneficially owned in the aggregate by BVF1, BVF2 and Trading Fund OS. BVF Inc., as the general partner of BVF Partners, may be deemed to beneficially own the shares beneficially owned by BVF Partners. Mark Lampert, as a director and officer of BVF Inc., has voting and disposition power over the shares and may be deemed to beneficially own the shares owned by BVF Inc. Jessica Lifton, as a Principal of BVF Partners, is a member of our board of directors. Ms. Lifton disclaims beneficial ownership of shares she beneficially owns, if any, except to the extent of her pecuniary interest therein. Entities affiliated with BVF Partners collectively hold more than 5% of our issued share capital. The business address of BVF1, BVF GP, BVF2, BVF2 GP, BVF GPH, BVF Partners, BVF Inc., Mr. Lampert and Ms. Lifton is 44 Montgomery St., 40th Floor, San Francisco, California 94104. The business address of Trading Fund OS and Partners OS is PO Box 309 Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (6) Consists of (i) 7,649,547 ordinary shares issuable upon conversion of convertible preferred shares held by SCC Venture VII Holdco I, Ltd. and (ii) 339,649 ordinary shares issuable upon conversion of convertible preferred shares held by SCC Seed II Holdco, Ltd. The sole shareholder of SCC Venture VII Holdco I, Ltd. is Sequoia Capital China Venture Fund VII, L.P. The general partner of Sequoia Capital China Venture Fund VII, L.P. is SC China Venture VII Management, L.P., whose general partner is SC China Holding Limited. The sole shareholder of SCC Seed II Holdco, Ltd. is Sequoia Capital China Seed Fund II, L.P. The general partner of Sequoia Capital China Seed Fund II, L.P. is SC China Seed Fund II Management, L.P., whose general partner is SC China Holding Limited. SC China Holding Limited is wholly owned by SNP China Enterprises Limited, which in turn is wholly owned by Mr. Neil Nanpeng Shen. The address for each of SCC Venture VII Holdco I, Ltd. and SCC Seed II Holdco, Ltd. is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (7) Consists of 4,940,345 ordinary shares issuable upon conversion of convertible preferred shares held by Deep Track Biotechnology Master Fund, Ltd., or the Master Fund. Deep Track Capital, LP, or the Investment Manager serves as the investment manager to the Master Fund and may be deemed to beneficially own such shares. Deep Track Capital GP, LLC, or the General Partner, is the General Partner of the Investment Manager. David Kroin is the Chief Investment Officer of the Investment Manager and managing member of the General Partner and may be deemed to beneficially own such shares. The business address of the Master Fund, the Investment Manager, the General Partner and Mr. Kroin is 200 Greenwich Avenue, 3rd Floor, Greenwich, CT 06830.
- (8) Consists of (i) 1,063,664 ordinary shares held by Raymond Stevens, Ph.D., of which 81,821 ordinary shares will be subject to our right of repurchase as of March 1, 2023; (ii) 1,554,586 ordinary shares held by Raymond Stevens and Vivian Urena-Stevens, as Co-Trustees of the Stevens 2001 Revocable Trust, dated March 28, 2001, or the Stevens Trust; (iii) 100,000 ordinary shares Dr. Stevens has the right to acquire within 60 days of December 31, 2022 pursuant to the early exercise of a share option; and (iv) 280,607 ordinary shares Dr. Stevens has the right to acquire within 60 days of December 31, 2022 pursuant to the exercise of share options. Dr. Stevens shares voting and dispositive power with respect to the shares held by the Stevens Trust.
- (9) Consists of (i) 1,063,664 ordinary shares held by Jun Yoon, of which 81,821 ordinary shares will be subject to our right of repurchase as of March 1, 2023; (ii) 1,554,586 ordinary shares held by JUN SIK YOON and HAYUNG YANG YOON, Trustees of THE YOON FAMILY TRUST, dated December 11, 2019, or the Yoon Trust; (iii) 100,000 ordinary shares Mr. Yoon has the right to acquire within 60 days of December 31, 2022 pursuant to the early exercise of a share option. Mr. Yoon shares voting and dispositive power with respect to the shares held by the Yoon Trust and (iv) 35,416 ordinary shares Mr. Yoon has the right to acquire within 60 days of December 31, 2022 pursuant to the exercise of share options.
- (10) Consists of 242,337 ordinary shares Dr. Bach has the right to acquire within 60 days of December 31, 2022 pursuant to the exercise of a share option.
- (11) Consists of 175,000 ordinary shares Dr. Ma has the right to acquire within 60 days of December 31, 2022 pursuant to the exercise of a share option.
- (12) Consists of (i) 1,179,122 ordinary shares Mr. Welch has the right to acquire within 60 days of December 31, 2022 pursuant to the early exercise of a share option and (ii) 123,508 ordinary shares issuable upon conversion of convertible preferred shares.
- (13) Consists of 80,000 ordinary shares Ms. Tetlow has the right to acquire within 60 days of December 31, 2022 pursuant to the early exercise of a share option.
- (14) Represents (i) 2,618,250 ordinary shares held by Schrödinger, Inc., or Schrödinger, and (ii) 642,245 ordinary share issuable upon convertible preferred shares held by Schrodingar. Ramy Farid Ph.D., a member of our board of directors, is the President, Chief Executive Officer and a member of the board of directors of Schrödinger and may be deemed to share voting and dispositive power over the shares held by Schrödinger. Dr. Farid disclaims beneficial ownership of the shares held by Schrödinger. The address of Schrödinger is 1540 Broadway, 24th Floor, New York, New York, 10036.
- (15) Consists of 3,458,242 ordinary shares issuable upon conversion of convertible preferred shares held by TCG Crossover Fund I, L.P., or TCG. Dr. Yu shares voting and dispositive power with respect to the shares held by TCG.
- (16) Consists of (i) the shares described in note (8) through note (15) above; (ii) 417,666 ordinary shares Xichen Lin, Ph.D., has the right to acquire within 60 days of December 31, 2022 pursuant to the exercise of share options, and (iii) 203,564 ordinary shares Melita Sun Jung., has the right to acquire within 60 days of December 31, 2022 pursuant to the exercise of share options.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company incorporated with limited liability and our affairs are governed by our amended and restated memorandum and articles of association, the Companies Act (as amended) of the Cayman Islands, or Companies Act, and the common law of the Cayman Islands.

Upon the closing of this offering, our authorized share capital will be \$60,000 divided into 600,000,000 shares, of which (i) 500,000,000 are designated as ordinary shares, par value of \$0.0001 per share and (ii) 100,000,000 shares, par value of \$0.0001 per share of such class or classes (however designated) of shares, as our board of directors may determine in accordance with our amended and restated memorandum and articles of association.

As of December 31, 2022, we had 10,526,654 ordinary shares, 19,200,000 Series A convertible preferred shares, 12,799,681 Series A+ convertible preferred shares, 32,857,004 Series B convertible preferred shares and 2,161,402 Series B-1 convertible preferred shares issued and outstanding. All of our shares issued and outstanding prior to the completion of this offering are fully paid, and all of our shares to be issued in this offering will be issued as fully paid. Immediately upon the closing of this offering, all of our outstanding preferred shares will be automatically converted and re-designated into an aggregate of 67,018,087 ordinary shares.

Following this offering, our board of directors may, without further action by our shareholders, fix the rights, preferences, privileges, and restrictions of up to an aggregate of 100,000,000 other shares, including preferred shares, in one or more classes or series and authorize their issuance. These rights, preferences, and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our ordinary shares. The issuance of our other shares, including potentially preferred shares, could adversely affect the voting power of holders of ADSs and ordinary shares and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of other shares, including preferred shares, could have the effect of delaying, deferring, or preventing a change of control or other corporate action. Upon the completion of this offering, no preferred shares will be outstanding, and we have no present plan to issue any preferred shares.

Amended and Restated Memorandum and Articles of Association

Our shareholders have adopted 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 upon the completion of this offering. The following are summaries of material provisions of the amended and restated memorandum and articles of association that we expect to become effective immediately upon the completion of this offering, and of the Companies Act, insofar as they relate to the material terms of our ordinary shares.

Objects of Our Company. Under our amended and restated 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 law 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 bearer. Our shareholders who are nonresidents of the Cayman Islands may freely hold and vote their shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors. In addition, our shareholders may declare dividends by ordinary resolution, but no dividend shall exceed the amount recommended by our directors. Our amended memorandum and restated articles of association provide that the directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the directors, be applicable for meeting contingencies or for equalizing dividends or for any other purpose to which those funds may be properly applied. Under the laws of the Cayman Islands, we may pay a dividend out of either profit or the credit standing in our share premium account, provided that

in no circumstances may a dividend be paid if this would result in our inability to pay our debts as they fall due in the ordinary course of business immediately following the date on which the distribution or dividend is paid.

Voting Rights. Holders of our ordinary shares are entitled to one vote per share. Voting at any shareholders' meeting is by show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands). A poll may be demanded by the chairman of such meeting or any one or more shareholders who together hold not less than 10% of the votes attaching to the total ordinary shares which are present in person or by proxy at the meeting.

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 no less than two-thirds of the votes cast attaching to the issued and outstanding ordinary shares at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our amended and restated memorandum and articles of association. Holders of the ordinary shares may, among other things, divide or combine their shares by ordinary resolution.

General Meetings of Shareholders. Shareholders' general meetings may be convened by a majority of our board of directors. Advance notice of at least 10 calendar 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 least one shareholder present or by proxy, representing not less than one-third of all votes attaching to all of our shares in issue and entitled to vote.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our amended and restated memorandum and articles of association provide that upon the requisition of shareholders representing in aggregate not less than one-third of the votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, our board of directors will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. Shareholders seeking to bring business before the annual general meeting or to nominate candidates for election to our board of directors at the annual general meeting are required to deliver notice not later than the 90th day nor earlier than the 120th day prior to the scheduled date of the annual general meeting.

Transfer of Ordinary Shares. Subject to the restrictions set out below, any of our shareholders may transfer all or any of his, her or its 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 ordinary 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 Nasdaq 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, after compliance with any notice required of Nasdaq, 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 the whole of the share capital, the assets will be distributed so that 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. Our ordinary shares are not subject to redemption provisions. 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 by our board of directors. We 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 Companies Act, the redemption or repurchase of any share may be paid out of our profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (i) unless it is fully paid up, (ii) if such redemption or repurchase would result in there being no shares issued and outstanding or (iii) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. If at any time our share capital is divided into different classes or series of shares, the rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series), whether or not our company is being wound-up, may be varied with the consent in writing of the holders of two-thirds of the issued shares of that class or series or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class or series. The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Issuance of Additional Shares. Our amended and restated memorandum of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our amended and restated memorandum of association also authorizes our board of directors to establish from time to time one or more series of preferred shares and to determine, with respect to any series of preferred 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;
- the rights and terms of redemption and liquidation preferences; and
- any other powers, preferences and relative, participating, optional and other special rights.

Our board of directors may issue preferred shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Inspection of Books and Records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our corporate records (except for the memorandum and articles of association of our company, any special resolutions passed by our company and the register of mortgages and charges of our company). However, we will provide our shareholders with annual audited consolidated financial statements. See the section titled "Where You Can Find Additional Information."

Anti-Takeover Provisions. Some provisions of our amended and restated 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 preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred 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 amended and restated 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 Act. The Companies Act 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 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 (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Registration Rights

Upon the closing of this offering, holders of 67,018,087 of our ordinary shares, or registrable securities, or their permitted transferees or assigns will be entitled to the following rights with respect to the registration of such shares for public resale under the Securities Act pursuant to an investor rights agreement by and among us and certain of our shareholders, until such shares can otherwise be sold without restriction under Rule 144, or until the rights otherwise terminate pursuant to the terms of the investor rights agreement. The registration of our ordinary shares as a result of the following rights being exercised would enable holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective.

If at any time beginning six months after the closing of this offering the holders of at least 50% of the registrable securities then outstanding request in writing that we effect a registration with respect to at least 20% of such registrable securities (or a lesser percentage if the anticipated aggregate price to the public from the offering is expected to exceed ten million dollars), we may be required to register their ordinary shares. We are obligated to effect at most two registrations in response to these demand registration rights.

If at any time after we become entitled under the Securities Act to register securities on a registration statement on Form S-3 (or comparable or substantially similar form), holders holding at least 20% of the registrable securities then outstanding request in writing that we effect a registration with respect to registrable securities at an aggregate price to the public in the offering of at least two million dollars, we will be required to file such registration statement as soon as practicable and in any event within 45 days after the date of such request; provided, however, that we will not be required to effect such a registration if, within the twelve-month period immediately preceding the date of such written request, we have already effected two registrations on Form S-3 for the holders of registrable securities.

If the holders requesting registration intend to distribute their shares by means of an underwriting, the managing underwriter of such offering will have the right to limit the numbers of shares to be underwritten for reasons related to the marketing of the shares.

Following the closing of this offering, in the event that we propose to register any of our securities for cash, either for our own account or for the account of other shareholders, holders of our registrable securities will be entitled to certain "piggyback" registration rights allowing them to include their registrable securities in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement other than with respect to certain exempt transactions, these holders will be entitled to notice of the registration and will have the right to include their registrable securities in the registration subject to certain limitations.

Ordinarily, other than selling expenses, we will be required to pay all expenses incurred by us related to any registration effected pursuant to the exercise of these registration rights. These expenses may include all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of our counsel; and reasonable fees and disbursements of a counsel for the selling shareholders.

The registration rights terminate upon the earliest to occur of: (i) the closing of a liquidation event, as defined in our amended and restated memorandum and articles of association, (ii) the fifth anniversary of the closing of this offering, or (iii) with respect to the registration rights of an individual holder, when the holder can sell all of such holder's registrable securities without limitation and without registration under Rule 144 under the Securities Act.

Differences in Corporate Law

The Companies Act is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and accordingly there are significant differences between the Companies Act and the current Companies Act of England. In addition, the Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (i) "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 (ii) 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 (i) a special resolution of the shareholders of each constituent company, and (ii) such other authorization, if any, as may be specified in such constituent company's articles of association. The written 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 list 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 of that Cayman subsidiary 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 Islands constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his, her or its shares (which, if not

agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Act. 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 Act 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 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 Act.

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90.0% of the shares affected 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 by way of scheme of arrangement is thus approved and sanctioned, or if a tender 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 to sue for a wrong done to us as a company, 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 court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

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 amended and restated memorandum and articles of association provide that we shall indemnify our officers and directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such director or officer, other than by reason of such person's 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 director or officer 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. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we intend to enter into indemnification agreements with our directors and executive officers prior to the completion of this offering, that provide such persons with additional indemnification beyond that provided in our amended and restated 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 or herself 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 interest 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 owes the following duties to the company—a duty to act bona fide in the best interests of the company, a duty not to make a 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 Resolution. 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. Our amended and restated articles of association provide that no action shall be taken by the shareholders except at an annual or extraordinary general meeting called in accordance with our amended and restated articles of association and no action shall be taken by the shareholders by written consent or electronic transmission.

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 Act provides shareholders with only limited rights to requisition a general meeting. However, these rights may be provided in a company's articles of association. Our amended and restated articles of association allow our shareholders holding in aggregate not less than one-third of all votes attaching to the

issued and 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 of directors is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. As an exempted Cayman Islands company, we may but are not obliged by law to call shareholders' annual general meetings. See the section titled "Our Amended and Restated Memorandum and Articles of Association—General Meetings of Shareholders" for more information on the rights of our shareholders to put proposals before the annual general meeting.

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 for 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 amended and restated 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 amended and restated articles of association, directors may be removed only for cause by an ordinary resolution of our shareholders. In addition, a director's office shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his 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; or (v) is removed from office pursuant to any other provisions of our amended and restated 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 shares 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

Act and our amended and restated 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 amended and restated 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 two-thirds 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. Under the Companies Act and our amended and restated memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our amended and restated memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-offering amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Listing

We have applied to list the ADSs on the Nasdaq Global Market under the trading symbol "GPCR."

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Receipts

JPMorgan Chase Bank, N.A., as depositary, will issue the ADS(s) which you will be entitled to receive in this offering. Each ADS will represent an ownership interest in a designated number of our ordinary shares which we will deposit with the custodian, as agent of the depositary, under the deposit agreement among ourselves, the depositary, yourself as a holder of American depositary receipt(s) that evidence the ADSs, or ADR(s), and all other ADR holders, and all beneficial owners of an interest in the ADSs evidenced by ADRs from time to time.

The depositary's office is located at 383 Madison Avenue, Floor 11, New York, NY 10179.

The ADS to share ratio is subject to amendment as provided in the form of ADR (which may give rise to fees contemplated by the form of ADR). 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.

A beneficial owner is any person or entity having a beneficial ownership interest in ADSs. A beneficial owner need not be the holder of the ADR evidencing such ADS. If a beneficial owner of ADSs is not an ADR holder, it must rely on the holder of the ADR(s) evidencing such ADSs in order to assert any rights or receive any benefits under the deposit agreement. A beneficial owner shall only be able to exercise any right or receive any benefit under the deposit agreement solely through the holder of the ADR(s) evidencing the ADSs owned by such beneficial owner. The arrangements between a beneficial owner of ADSs and the holder of the corresponding ADRs may affect the beneficial owner's ability to exercise any rights it may have.

An ADR holder shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by the ADRs registered in such ADR holder's name for all purposes under the deposit agreement and ADRs. The depositary's only notification obligations under the deposit agreement and the ADRs is to registered ADR holders. Notice to an ADR holder shall be deemed, for all purposes of the deposit agreement and the ADRs, to constitute notice to any and all beneficial owners of the ADSs evidenced by such ADR holder's ADRs.

Unless certificated ADRs are specifically requested, 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.

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 or beneficial owner, 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 or of a beneficial owner. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all holders and beneficial owners from time to time of ADRs issued under the deposit agreement and, in the case of a beneficial owner, from the arrangements between the beneficial owner and the holder of the corresponding ADRs. 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 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 a part. You may also find the registration statement and the attached deposit agreement on the SEC's website at 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 (if it determines such conversion may be made on a reasonable basis) and, in all cases, making any necessary deductions provided for in the deposit agreement. The depositary may utilize a division, branch or affiliate of JPMorgan Chase Bank, N.A. to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement. Such division, branch and/or affiliate may charge the depositary a fee in connection with such sales, which fee is considered an expense of the depositary. 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 and/or its agents' 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. To the extent the depositary does not reasonably believe it will be permitted by applicable law, rule or regulation to convert foreign currency into U.S. dollars and distribute such U.S. dollars to some or all holders, the depositary may in its discretion distribute the foreign currency received by the depositary to, or hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the holders entitled to receive the same. To the extent the depositary holds such foreign currency, any and all costs and expenses related to, or arising from, the holding of such foreign currency shall be paid from such foreign currency thereby reducing the amount so held. *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 timely 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 timely furnish such evidence, the depositary may:
 - (i) sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or
 - (ii) if it is not practicable to sell such rights by reason of the non-transferability of the rights, limited markets therefor, their short duration or otherwise, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing and the rights may lapse.
- **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 in its discretion 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 fails to determine that any distribution or action is lawful or reasonably practicable.

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. All purchases and sales of securities will be handled by the depositary in accordance with its then current policies, which are currently set forth on the "Disclosures" page (or successor page) of www.adr.com (as updated by the depositary from time to time, ADR.com).

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian and pay 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 JPMorgan Chase Bank, N.A., 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 and to the order of the depositary, in each case for the benefit of ADR holders. ADR holders and beneficial owners 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."

Deposited securities are not intended to, and shall not, constitute proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in deposited securities is intended to be, and shall at all times during the term of the deposit agreement continue to be, vested in the beneficial owners of the ADSs representing such deposited securities. Notwithstanding anything else contained herein, in the deposit agreement, in the form of ADR and/or in any outstanding ADSs, the depositary, the custodian and their respective nominees are intended to be, and shall at all times during the term of the deposit agreement be, the record holder(s) only of the deposited securities represented by the ADSs for the benefit of the ADR holders. The depositary, on its own behalf and on behalf of the custodian and their respective nominees, disclaims any beneficial ownership interest in the deposited securities held on behalf of the ADR holders.

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 depository's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depository will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. Delivery of deposited securities in certificated form will be made at the custodian's office. At your risk, expense and request, the depository may deliver deposited securities at such other place as you may request.

The depository may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depository 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 depository may, after consultation with us if practicable, fix record dates (which, to the extent applicable, shall be as near as practicable to any corresponding record dates set by us) 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 deposited securities,
- to give instructions for the exercise of voting rights at a meeting of holders of shares,
- to pay the fee assessed by the depository 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 depository asks you to provide it with voting instructions, you may instruct the depository how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after receipt from us of notice of any meeting at which the holders of shares are entitled to vote, or of our solicitation of consents or proxies from holders of shares, the depository shall fix the ADS record date in accordance with the provisions of the deposit agreement, provided that if the depository receives a written request from us in a timely manner and at least 30 days prior to the date of such vote or meeting, the depository shall, at our expense, distribute to the registered ADR holders a "voting notice" stating (i) final information particular to such vote and meeting and any solicitation materials, (ii) that each ADR holder on the record date set by the depository will, subject to any applicable provisions of Cayman Islands law, be entitled to instruct the depository as to the exercise of the voting rights, if any, pertaining to the deposited securities represented by the ADSs evidenced by such ADR holder's ADRs and (iii) the manner in which such instructions may be given, or deemed to be given pursuant to the terms of the deposit agreement, including instructions for giving a discretionary proxy to a person designated by us. Each ADR holder shall be solely responsible for the forwarding of voting notices to the beneficial owners of ADSs registered in such ADR holder's name. There is no guarantee that ADR holders and beneficial owners generally or any holder or beneficial owner in particular will receive the notice described above with sufficient time to enable such ADR holder or beneficial owner to return any voting instructions to the depository in a timely manner.

Following actual receipt by the ADR department responsible for proxies and voting of ADR holders' instructions (including, without limitation, instructions of any entity or entities acting on behalf of the nominee for the Depository Trust Company, or DTC), the depository shall, in the manner and on or before the time established by the depository for such purpose, endeavor to vote or cause to be voted the deposited securities represented

by the ADSs evidenced by such ADR holders' ADRs in accordance with such instructions insofar as practicable and permitted under the provisions of or governing deposited securities.

To the extent that (i) we have provided the depositary with at least 35 days' notice of the proposed meeting, (ii) the voting notice will be received by all ADR holders and beneficial owners no less than 10 days prior to the date of the meeting and/or the cut-off date for the solicitation of consents, and (iii) the depositary does not receive instructions on a particular agenda item from an ADR holder (including, without limitation, any entity or entities acting on behalf of the nominee for DTC) in a timely manner, such ADR holder shall be deemed, and in the deposit agreement the depositary is instructed to deem such ADR holder, to have instructed the depositary to give a discretionary proxy for such agenda item(s) to a person designated by us to vote the deposited securities represented by the ADSs for which actual instructions were not so given by all such ADR holders on such agenda item(s), provided that no such instruction shall be deemed given and no discretionary proxy shall be given unless (i) we inform the depositary in writing (and we agree to provide the depositary with such instruction promptly in writing) that (a) we wish such proxy to be given with respect to such agenda item(s), (b) there is no substantial opposition existing with respect to such agenda item(s) and (c) such agenda item(s), if approved, would not materially or adversely affect the rights of holders of shares, and (ii) the depositary has obtained an opinion of counsel, in form and substance satisfactory to the depositary, confirming that (a) the granting of such discretionary proxy does not subject the depositary to any reporting obligations in the Cayman Islands, (b) the granting of such proxy will not result in a violation of the laws, rules, regulations or permits of the Cayman Islands, (c) the voting arrangement and deemed instruction as contemplated herein will be given effect under the laws, rules and regulations of the Cayman Islands, and (d) the granting of such discretionary proxy will not under any circumstances result in the shares represented by the ADSs being treated as assets of the depositary under the laws, rules or regulations of the Cayman Islands.

The depositary may from time to time access information available to it to consider whether any of the circumstances described above exist, or request additional information from us in respect thereto. By taking any such action, the depositary shall not in any way be deemed or inferred to have been required, or have had any duty or responsibility (contractual or otherwise), to monitor or inquire whether any of the circumstances described above existed. In addition to the limitations provided for in the deposit agreement, ADR holders and beneficial owners are advised and agree that (i) the depositary will rely fully and exclusively on us to inform it of any of the circumstances set forth above, and (ii) neither the depositary, the custodian nor any of their respective agents shall be obliged to inquire or investigate whether any of the circumstances described above exist and/or whether we complied with our obligation to timely inform the depositary of such circumstances. Neither the depositary, the custodian nor any of their respective agents shall incur any liability to ADR holders or beneficial owners (i) as a result of our failure to determine that any of the circumstances described above exist or our failure to timely notify the depositary of any such circumstances or (ii) if any agenda item which is approved at a meeting has, or is claimed to have, a material or adverse effect on the rights of holders of shares. Because there is no guarantee that ADR holders and beneficial owners will receive the notices described above with sufficient time to enable such ADR holders or beneficial owners to return any voting instructions to the depositary in a timely manner, ADR holders and beneficial owners may be deemed to have instructed the depositary to give a discretionary proxy to a person designated by us in such circumstances, and neither the depositary, the custodian nor any of their respective agents shall incur any liability to ADR holders or beneficial owners in such circumstances.

ADR holders are strongly encouraged to forward their voting instructions to the depositary as soon as possible. For instructions to be valid, the ADR department of the depositary that is responsible for proxies and voting must receive them in the manner and on or before the time specified, notwithstanding that such instructions may have been physically received by the depositary prior to such time. The depositary will not itself exercise any voting discretion in respect of deposited securities. The depositary and its agents will not be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any voting instructions are given, or deemed to be given pursuant to the terms of the deposit agreement, including instructions to give a discretionary proxy to a person designated by us, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the depositary is instructed to grant a discretionary proxy (or deemed to have been instructed pursuant to the terms of the deposit agreement), or for the effect of any such vote. Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by any law, regulation, or requirement 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 ADR holders with or otherwise publicizes to such ADR 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).

We have advised the depositary that under Cayman Islands law and our governing 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 demanded (before or on the declaration of the results of the show of hands) by the chairman of the meeting or any shareholder holding at least ten percent of the votes attached to the shares present at such meeting. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with our governing documents, the depositary will refrain from voting and providing any proxies (deemed or otherwise) and the voting instructions received and deemed received by the depositary from ADR holders shall lapse. The depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by ADR holders or beneficial owners.

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 share dividend or share 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, \$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, canceled or surrendered, or upon which a share distribution or elective distribution is made or offered, 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 also be incurred by the ADR holders, the beneficial owners, by any party depositing or withdrawing shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuance pursuant to a share dividend or share split declared by us or an exchange of shares regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of \$0.05 or less per ADS held for any cash distribution made, or for any elective cash/stock dividend offered, pursuant to the deposit agreement;
- a fee of \$0.05 or less per ADS held for the direct or indirect distribution of securities other than ADSs or rights to purchase additional ADSs (including, without limitation, distributions by the Company or any third-party) or the distribution of the net cash proceeds from the sale of any such securities;
- an aggregate fee of \$0.05 or less 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 depository during each calendar year and shall be payable at the sole discretion of the depository by billing such ADRs or by deducting such charge from one or more cash dividends or other cash distributions);

- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depository and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of ADR 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 sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depository's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against ADR holders as of the record date or dates set by the depository and shall be payable at the sole discretion of the depository by billing such ADR holders or by deducting such charge from one or more cash dividends or other cash distributions);
- share 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, ADRs or deposited securities;
- 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
- fees of any division, branch or affiliate of the depository utilized by the depository to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

To facilitate the administration of various depository receipt transactions, including disbursement of dividends or other cash distributions and other corporate actions, the depository may engage the foreign exchange desk within JPMorgan Chase Bank, N.A., or the Bank, and/or its affiliates in order to enter into spot foreign exchange transactions to convert foreign currency into U.S. dollars. For certain currencies, foreign exchange transactions are entered into with the Bank or an affiliate, as the case may be, acting in a principal capacity. For other currencies, foreign exchange transactions are routed directly to and managed by an unaffiliated local custodian (or other third party local liquidity provider), and neither the Bank nor any of its affiliates is a party to such foreign exchange transactions.

The foreign exchange rate applied to a foreign exchange transaction will be either (i) a published benchmark rate, or (ii) a rate determined by a third party local liquidity provider, in each case plus or minus a spread, as applicable. The depository will disclose which foreign exchange rate and spread, if any, apply to such currency on the "Disclosure" page (or successor page) of ADR.com. Such applicable foreign exchange rate and spread may (and neither the depository, the Bank nor any of their affiliates is under any obligation to ensure that such rate does not) differ from rates and spreads at which comparable transactions are entered into with other customers or the range of foreign exchange rates and spreads at which the Bank or any of its affiliates enters into foreign exchange transactions in the relevant currency pair on the date of the foreign exchange transaction. Additionally, the timing of execution of a foreign exchange transaction varies according to local market dynamics, which may include regulatory requirements, market hours and liquidity in the foreign exchange market or other factors. Furthermore, the Bank and its affiliates may manage the associated risks of their position in the market in a manner they deem appropriate without regard to the impact of such activities on the depository, us, holders or beneficial owners. *The spread applied does not reflect any gains or losses that may be earned or incurred by the Bank and its affiliates as a result of risk management or other hedging related activity.*

Notwithstanding the foregoing, to the extent we provide U.S. dollars to the depository, neither the Bank nor any of its affiliates will execute a foreign exchange transaction as set forth in the deposit agreement and described herein. In such case, the depository will distribute the U.S. dollars received from us.

Further details relating to the applicable foreign exchange rate, the applicable spread and the execution of foreign exchange transactions will be provided by the depository on ADR.com. Each holder and beneficial owner by holding or owning an ADR or ADS or an interest therein, and we, each acknowledge and agree that the terms applicable to foreign exchange transactions disclosed from time to time on ADR.com will apply to any foreign exchange transaction executed pursuant to the deposit agreement.

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 right of the depositary to receive payment of fees, charges and expenses survives the termination of the deposit agreement, and shall extend for those fees, charges and expenses incurred prior to the effectiveness of any resignation or removal of the depositary.

The fees and charges described above may be amended from time to time by agreement between us and the depositary.

The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to 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 ADR 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 or beneficial owners 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 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 Chinese Enterprise Income Tax owed if the Notice Regarding the Determination of Chinese-Controlled Offshore- Incorporated Enterprises as Chinese Tax Resident Enterprises on the Basis of De Facto Management Bodies, or SAT Circular 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 ADR holder thereof to the depositary and by holding or owning, or having held or owned, an ADR or any ADSs evidenced thereby, the ADR holder and all beneficial owners thereof, and all prior ADR holders and beneficial owners thereof, jointly and severally, agree to indemnify, defend and save harmless each of the depositary and its agents in respect of such tax or other governmental charge. Notwithstanding the depositary's right to seek payment from current and former beneficial owners, by holding or owning, or having held or owned, an ADR, the ADR holder thereof (and prior ADR holder thereof) acknowledges and agrees that the depositary has no obligation to seek payment of amounts owing from any current or former beneficial owner. 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. 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) in such amounts and in such manner as the depositary deems necessary and practicable to pay such taxes and distribute any remaining net proceeds or the balance of any such property after deduction of such taxes to the ADR holders entitled thereto.

As an ADR holder or beneficial owner, you will be agreeing to indemnify us, the depositary, its custodian and any of our or their respective officers, 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, (ii) any distributions of shares or other property 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, and shall if reasonably requested by us:

- 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 share transfer or other taxes and other governmental charges, transfer or registration fees, SWIFT, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADR holders or beneficial owners. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder and any beneficial owner are deemed to agree to such amendment and to be bound by the deposit agreement as so amended. 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.

Any amendments or supplements which (i) are reasonably necessary (as agreed by us and the depositary) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act or (b) the ADSs or shares to be traded solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by ADR holders, shall be deemed not to prejudice any substantial rights of ADR holders or beneficial owners. 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. Such amendment or supplement to the deposit agreement in such circumstances may become effective before a notice of such amendment or supplement is given to ADR holders or within any other period of time as required for compliance.

Notice of any amendment to the deposit agreement or form of ADRs shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid; provided, however, that, in each such case, the notice given to the ADR holders identifies a means for ADR holders and beneficial owners to retrieve or receive the text of such amendment (*i.e.*, upon retrieval from the SEC's, the depositary's or our website or upon request from the depositary).

How may the deposit agreement be terminated?

The depositary shall at any time 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 termination date, as determined in accordance with the deposit agreement. The depositary may also terminate the deposit agreement by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the termination date if (i) 45 days have passed since the depositary provided notice of its resignation, (ii) 60 days shall have expired after the removal notice date, as defined in the deposit agreement, (iii) we are bankrupt or insolvent, (iv) our ADSs cease to be listed on an internationally recognized stock exchange, (v) we effect (or

will effect) a redemption of all or substantially all of the deposited securities or a cash or share distribution representing a return of all or substantially all of the value of the deposited securities, or (vi) we undergo a merger, consolidation, sale of assets or other transaction as a result of which securities or other property are delivered in exchange for or in lieu of the deposited securities. In addition, the depositary may immediately terminate the deposit agreement, without prior notice to the holders or beneficial owners of ADRs or us, if required by any law, rule or regulation relating to sanctions by any governmental authority or body, or if the depositary would be subject to liability under or pursuant to any law, rule or regulation, or if otherwise required by any governmental authority or body, in each case as determined by the depositary in its reasonable discretion.

If the ADSs are listed or quoted for trading on a stock exchange or in a securities market as of the termination date and the depositary believes that it is able and practicable to promptly sell the deposited securities without undue effort, then, after the termination date, the depositary and its agents will perform no further acts under the deposit agreement or the ADRs, except to receive and hold (or sell) distributions on deposited securities and deliver deposited securities being withdrawn. As soon as practicable after the termination date, the depositary shall use its reasonable efforts to sell the deposited securities and shall thereafter (as long as it may lawfully do so) hold in an account (which may be a segregated or unsegregated account) the net proceeds of such sales, together with any other cash then held by it under the deposit agreement, without liability for interest, in trust for the pro rata benefit of the holders of ADRs not theretofore surrendered. After making such sale, the depositary shall be discharged from all obligations in respect of the deposit agreement and this ADR, except to account for such net proceeds and other cash. After the date so fixed for termination, we shall be discharged from all obligations under the deposit agreement except for our obligations to the depositary and its agents.

If, however, the ADSs are not listed or quoted for trading on a stock exchange or securities market as of the termination date or if, for any reason, the depositary believes it is not able or practicable to promptly sell the deposited securities without undue effort, then, after the termination date, (i) all direct registration ADRs shall cease to be eligible for the direct registration system and shall be considered ADRs issued on the ADR register maintained by the depositary and (ii) the depositary shall use its reasonable efforts to ensure that the ADSs cease to be DTC eligible so that neither DTC nor any of its nominees shall thereafter be a registered holder of ADRs. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is a registered holder of ADRs, the depositary shall (i) instruct its custodian to deliver all shares to us along with a general share power that refers to the names set forth on the ADR register maintained by the depositary and (ii) provide us with a copy of the ADR register maintained by the depositary. Upon receipt of such shares and the ADR register maintained by the depositary, we have agreed to use our best efforts to issue to each registered ADR holder a share certificate representing the shares represented by the ADSs reflected on the ADR register maintained by the depositary in such registered ADR holder's name and to deliver such share certificate to the registered ADR holder at the address set forth on the ADR register maintained by the depositary. After providing such instruction to the custodian and delivering a copy of the ADR register to us, the depositary and its agents will perform no further acts under the deposit agreement or the ADRs and shall cease to have any obligations under the deposit agreement and/or the ADRs.

Notwithstanding anything to the contrary, in connection with any such termination, the depositary may, in its sole discretion and without notice to us, establish an unsponsored American depositary share program (on such terms as the depositary may determine) for our shares and make available to ADR holders a means to withdraw the shares represented by the ADSs issued under the deposit agreement and to direct the deposit of such shares into such unsponsored American depositary share program, subject, in each case, to receipt by the depositary, at its discretion, of the fees, charges and expenses provided for under the deposit agreement and the fees, charges and expenses applicable to the unsponsored American depositary share program.

Limitations on Obligations and Liability to ADR 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 in the case of the production of proofs as described below, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any share transfer or other tax or other governmental charge, (ii) any share 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 or other ownership of, or interest in, 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 depository 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 depository; 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 depository 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 depository, ourselves and our respective agents, provided, however, that no disclaimer of liability under the Securities Act is intended by any of the limitations of liabilities provisions of the deposit agreement. The deposit agreement provides that each of us, the depository and each of their and our respective directors, officers, employees, agents and affiliates will:

- incur or assume no liability (including, without limitation, to holders or beneficial owners) if any present or future law, rule, regulation, fiat, order or decree of the Cayman Islands, Hong Kong Special Administrative Region, the People's Republic of China, the United States or any other country or jurisdiction, 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 governing documents, any act of God, war, terrorism, nationalization, expropriation, currency restrictions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, computer failure or circumstance beyond our, the depository's or our respective agents' direct and immediate 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 depository or our respective agents (including, without limitation, voting);
- incur or assume no liability (including, without limitation, to holders or beneficial owners) by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or things which by the terms of the deposit agreement it is provided shall or may be done or performed or any exercise or failure to exercise discretion under the deposit agreement or the ADRs including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;
- incur or assume no liability (including, without limitation, to holders or beneficial owners) if it performs its obligations under the deposit agreement and ADRs without gross negligence or willful misconduct;
- in the case of the depository and its agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities the ADSs or the ADRs;
- in the case of us and our agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities the ADSs or the ADRs, which in our or our agents' opinion, as the case may be, may involve it in expense or liability, unless indemnity satisfactory to us or our agent, as the case may be against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be required;

- not be liable (including, without limitation, to holders or beneficial owners) for any action or inaction by it in reliance upon the advice of or information from any legal counsel, any accountant, 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 and/or, in the case of the depositary, us; or
- may rely and shall be protected in acting upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties.

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, or the insolvency of, any securities depository, clearing agency or settlement system. 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 JPMorgan Chase Bank, N.A. Notwithstanding anything to the contrary contained in the deposit agreement or any ADRs, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that any registered ADR holder has incurred liability directly as a result of the custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the depositary or (ii) failed to use reasonable care in the provision of custodial services to the depositary as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. The depositary and the custodian(s) may use third party delivery services and providers of information regarding matters such as, but not limited to, 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 services such as, but not limited to, attendance at any meetings of security holders of issuers. 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. The depositary shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The depositary has no obligation to inform ADR holders or beneficial owners about the requirements of the laws, rules or regulations or any changes therein or thereto of the Cayman Islands, Hong Kong Special Administrative Region, the People's Republic of China, the United States or any other country or jurisdiction or of any governmental or regulatory authority or any securities exchange or market or automated quotation system.

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 or refunds of non-U.S. tax paid against such ADR holder's or beneficial owner's income tax liability. The depositary is under no obligation to provide the ADR holders and beneficial owners, or any of them, with any information about our tax status. Neither we nor the depositary shall incur any liability for any tax or tax consequences that may be incurred by registered ADR holders or beneficial owners on account of their ownership or disposition 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 voting instructions are given, or deemed to be given pursuant to the terms of the deposit agreement, including instructions to give a discretionary proxy to a person designated by us, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the depositary is instructed to grant a discretionary proxy (or deemed to have been instructed pursuant to the terms of the deposit agreement), or for the effect of any such vote. The depositary may rely upon instructions from us or our counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The depositary shall not incur any liability for the content of any information submitted to it by us or on our behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the deposited securities, for the validity or worth of the deposited securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the deposit agreement or for the failure or timeliness of any notice from us.

The depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary. Neither the depositary nor any of its agents shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, legal fees and expenses) or lost profits, in each case of any form incurred by any person or entity (including, without limitation holders or beneficial owners of ADRs and ADSs), 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 ADR holder and beneficial owner) 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 us 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). No provision of the deposit agreement or the ADRs is intended to constitute a waiver or limitation of any rights which an ADR holder or any beneficial owner may have under the Exchange Act, to the extent applicable.

The depositary and its agents may own and deal in any class of securities of our company and our affiliates and in ADRs.

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, or interest in, deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, you as ADR holders or beneficial owners agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof.

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 ADR holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register may be closed at any time or from time to time, when deemed expedient by the depositary or, in the case of the issuance book portion of the ADR register, when reasonably requested by us solely in order to enable us to comply with applicable law.

The depositary will maintain facilities for the delivery and receipt of ADRs.

Appointment

In the deposit agreement, each registered holder of ADRs and each beneficial owner, upon acceptance of any ADSs or ADRs (or any interest in any of them) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

- be a party to and be bound by the terms of the deposit agreement and the applicable ADR or ADRs,
- 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 or ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof; and
- acknowledge and agree that (i) nothing contained in the deposit agreement or any ADR shall give rise to a partnership or joint venture among the parties thereto, nor establish a fiduciary or similar relationship among such parties, (ii) the depositary, its divisions, branches and affiliates, and their respective agents, may from time to time be in the possession of non-public information about us, holders, beneficial owners and/or their respective affiliates, (iii) the depositary and its divisions, branches and affiliates may at any time have multiple banking relationships with us, holders, beneficial

owners and/or the affiliates of any of them, (iv) the depositary and its divisions, branches and affiliates may, from time to time, be engaged in transactions in which parties adverse to us or the holders or beneficial owners and/or their respective affiliates may have interests, (v) nothing contained in the deposit agreement or any ADR(s) shall (A) preclude the depositary or any of its divisions, branches or affiliates from engaging in any such transactions or establishing or maintaining any such relationships, or (B) obligate the depositary or any of its divisions, branches or affiliates to disclose any such transactions or relationships or to account for any profit made or payment received in any such transactions or relationships, (vi) the depositary shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the depositary and (vii) notice to a holder shall be deemed, for all purposes of the deposit agreement and the ADR(s), to constitute notice to any and all beneficial owners of the ADSs evidenced by such holder's ADRs. For all purposes under the deposit agreement and the ADR(s), the holder hereof shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by the ADR(s).

Governing Law

The deposit agreement, the ADSs and the ADRs are governed by and construed in accordance with the internal laws of the State of New York. In the deposit agreement, we have submitted to the non-exclusive jurisdiction of the courts of the State of New York and appointed an agent for service of process on our behalf. Any action based on the deposit agreement, the ADSs, the ADRs or the transactions contemplated therein or thereby may also be instituted by the depositary against us in any competent court in the Cayman Islands, Hong Kong Special Administrative Region, the United States and/or any other court of competent jurisdiction.

Under the deposit agreement, by holding or owning an ADR or ADS or an interest therein, ADR holders and beneficial owners each irrevocably agree that any legal suit, action or proceeding against or involving ADR holders or beneficial owners brought by us or the depositary, arising out of or based on the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may be instituted in a state or federal court in New York, New York, irrevocably waive any objection which they may have to the laying of venue of any such proceeding, and irrevocably submit to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. By holding or owning an ADR or ADS or an interest therein, ADR holders and beneficial owners each also irrevocably agree that any legal suit, action or proceeding against or involving us and/or the depositary brought by ADR holders or beneficial owners, arising out of or based on the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may only be instituted in the United States District Court for the Southern District of New York (or in the state courts of New York County in New York if either (i) the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or (ii) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable).

Notwithstanding the foregoing, (i) the depositary may, in its sole discretion, elect to institute and/or refer any dispute, suit, action, controversy, claim or proceeding directly or indirectly based on, arising out of or relating to the deposit agreement, the ADSs, the ADRs or the transactions contemplated therein or thereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination, against any other party or parties to the deposit agreement (including, without limitation, against ADR holders and beneficial owners of interests in ADSs), by having the matter referred to and finally resolved by an arbitration as set forth in the deposit agreement, and (ii) the depositary may in its sole discretion require, by written notice to the relevant party or parties, that any dispute, suit, action, controversy, claim or proceeding against the depositary by any party or parties to the deposit agreement (including, without limitation, by ADR holders and beneficial owners of interests in ADSs) shall be referred to and finally settled by an arbitration conducted as set forth in the deposit agreement. Any such arbitration shall be conducted in the English language 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.

Jury Trial Waiver

In the deposit agreement, each party thereto (including, for the avoidance of doubt, each holder and beneficial owner of, and/or holder of interests in, ADSs or 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, claim or proceeding against the

depository and/or us directly or indirectly arising out of, based on or relating in any way 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), including any claim under the U.S. federal securities laws.

If we or the depository were to oppose a jury trial demand based on such waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable state and federal law, including whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. The waiver to right to a jury trial in the deposit agreement is not intended to be deemed a waiver by any holder or beneficial owner of ADSs of our or the depository's compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder.

ORDINARY SHARES AND AMERICAN DEPOSITARY SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have 8,950,000 ADSs outstanding, representing approximately 25.7% of our outstanding ordinary shares, including 245,462 restricted ordinary shares that remained subject to repurchase rights as of such date and after giving effect to the automatic conversion and re-designation of all outstanding preferred shares into 67,018,087 ordinary shares upon the closing of this offering, and assuming the underwriters do not exercise their over-allotment option to purchase additional ADSs. 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. Rule 144 under the Securities Act defines an "affiliate" of a company as a person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, our company. All outstanding ordinary shares prior to this offering are "restricted securities" as that term is defined in Rule 144 because they were issued in a transaction or series of transactions not involving a public offering. Restricted securities, in the form of ADSs or otherwise, may be sold only if they are the subject of an effective registration statement under the Securities Act or if they are sold pursuant to an exemption from the registration requirement of the Securities Act such as those provided for in Rule 144 or 701 promulgated under the Securities Act, which rules are summarized below. Restricted ordinary shares may also be sold outside of the United States to non-U.S. persons in accordance with Rule 904 of Regulation S under the Securities Act. This prospectus may not be used in connection with any resale of the ADSs acquired in this offering by our affiliates.

Sales of substantial amounts of the ADSs in the public market could adversely affect prevailing market prices of the ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs. We have applied 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

For a period of 180 days after the date of this prospectus, we have agreed, subject to certain exceptions, not to directly or indirectly 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, except in this offering, any of our ordinary shares or ADSs or securities convertible into or exercisable or exchangeable for our ordinary shares or ADSs subject to certain exceptions, without the prior written consent of Jefferies, LLC and SVB Securities LLC. See the section titled "Underwriting" for additional information.

Furthermore, each of our directors, executive officers and substantially all of the holders of our outstanding shares have also entered into a similar lock-up agreement for a period of 180 days from the date of this prospectus, subject to certain exceptions, with respect to our ordinary shares, ADSs and securities convertible into or exercisable or exchangeable for our ordinary shares or ADSs.

Other than this offering, we are not aware of any plans by any significant shareholders to dispose of significant numbers of the ADSs or ordinary shares. However, one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for the ADSs or ordinary shares may dispose of significant numbers of the ADSs or ordinary shares in the future. We cannot predict what effect, if any, future sales of the ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the trading price of the ADSs from time to time. Sales of substantial amounts of the ADSs or ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of the ADSs.

Rule 144

All of our ordinary shares that will be outstanding upon the completion of this offering, other than those ordinary shares represented by 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 180 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, in the form of ADSs or otherwise, which immediately after this offering will equal 1,043,947 ordinary shares, assuming the underwriters do not exercise their over-allotment option; or
- the average weekly trading volume of our ordinary shares of the same class, in the form of 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 share 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.

Registration Rights

Beginning 180 days after the date of this prospectus, subject to certain exceptions, holders of 67,018,087 ordinary shares will be entitled to the registration rights described in the section titled "Description of Share Capital—Registration Rights." Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon effectiveness of the registration.

Equity Incentive Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all of the ordinary shares subject to outstanding stock options and the ordinary shares subject to issuance under the 2019 Plan and the 2023 Plan to be adopted in connection with this offering. We expect to file these registration statements as promptly as possible after the completion of this offering. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, ADSs registered under such registration statements will be available for sale in the open market. We expect that the initial registration statement on Form S-8 relating to the outstanding 326,666 ordinary shares issued under the 2019 Plan and the 2023 Plan will cover 22,099,376 ordinary shares.

Regulation S

Regulation S provides generally that sales made in offshore transactions are not subject to the registration or prospectus-delivery requirements of the Securities Act. Accordingly, restricted securities may be sold in offshore transactions in compliance with Regulation S.

TAXATION

Material U.S. Federal Income Tax Consequences

The following is a summary of the material U.S. federal income tax consequences to U.S. holders and non-U.S. holders (each, as defined below) of the acquisition, ownership and disposition of our ordinary shares or ADSs. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, and does not address the potential application of the Medicare contribution tax or the alternative minimum tax, the impact of special tax accounting rules under Section 451(b) of the Code, any estate or gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the Code, Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or IRS, all as in effect as of the date of this prospectus. These authorities are subject to change and to differing interpretations, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to holders who purchase our ordinary shares or ADSs pursuant to this offering and who hold our ordinary shares or ADSs as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder's particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other pass-through entities (and investors therein);
- "controlled foreign corporations";
- "passive foreign investment companies";
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers, or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- persons who acquire our ordinary shares or ADSs through the exercise of an option or otherwise as compensation;
- persons that own, or have owned, actually or constructively, more than 5% of our ordinary shares or ADSs;
- persons who have elected to mark securities to market;
- U.S. expatriates; and
- persons holding our ordinary shares or ADSs as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy or integrated investment.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR ORDINARY SHARES OR ADSs, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS.

Definition of U.S. Holder and Non-U.S. Holder

A U.S. holder is any U.S. person that is a beneficial owner of our ordinary shares or ADSs. A U.S. person, for U.S. federal income tax purposes, is any of the following:

- an individual citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) whose administration 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 (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our ordinary shares or ADSs that is not a "U.S. person" nor a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our ordinary shares or ADSs, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our ordinary shares or ADSs and the partners in such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our ordinary shares or ADSs.

Tax Classification of the Company as a U.S. Domestic Corporation

For U.S. federal income tax purposes, a corporation is generally considered to be a tax resident in the jurisdiction of its organization or incorporation. Accordingly, under the generally applicable U.S. federal income tax rules, the Company, which is incorporated under the laws of the Cayman Islands, would be classified as a non-U.S. corporation (and, therefore, not a U.S. tax resident) for U.S. federal income tax purposes. However, Section 7874 of the Code provides an exception to this general rule, under which a non-U.S. incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal income tax purposes. These rules are complex and there is limited guidance regarding their application. A number of significant and complicated U.S. federal income tax consequences may result from such classification, and this summary does not attempt to describe all such U.S. federal income tax consequences. Section 7874 of the Code and the Treasury Regulations promulgated thereunder do not address all the possible tax consequences that arise from the Company being treated as a U.S. domestic corporation for U.S. federal income tax purposes. Accordingly, there may be additional or unforeseen U.S. federal income tax consequences to the Company that are not discussed in this summary.

Under such rules, even though the Company is organized as a Cayman Islands corporation, it will be treated as a U.S. domestic corporation for U.S. federal income tax purposes as a result of the Company's prior acquisition of a United States target corporation and application of the so-called "inversion" rules under Section 7874 of the Code. As such, the Company will be subject to U.S. federal income tax as if it were organized under the laws of the United States or a state thereof, and its dividends will be treated as dividends from a U.S. corporation. In addition, the Company will be required to file a U.S. federal income tax return annually with the IRS. It is anticipated that such U.S. tax treatment will continue indefinitely and that our ordinary shares and ADSs will be treated indefinitely as shares in a U.S. domestic corporation for U.S. federal income tax purposes. The Company's status as a domestic corporation for U.S. federal income tax purposes has implications for all shareholders, although only the application to U.S. Holders is discussed in this summary.

The remaining discussion contained in this section titled "Material U.S. Federal Income Tax Considerations" section assumes that the Company will be treated as a domestic corporation for all U.S. federal income tax purposes.

Tax Considerations for U.S. Holders***Distributions***

It is unlikely that we will pay any dividends on our ordinary shares or ADSs in the foreseeable future. If we make cash or other property distributions on our ordinary shares or ADSs, such distributions will constitute

dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's tax basis in our ordinary shares or ADSs, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of our ordinary shares and will be treated as described under "*—Sale or Redemption*" below. Distributions constituting dividend income to U.S. holders that are individuals may qualify for reduced rates applicable to qualified dividend income. Distributions constituting dividend income to U.S. holders that are U.S. corporations may qualify for the dividends received deduction.

Sale or Redemption

A U.S. holder will generally recognize capital gain or loss on a sale, exchange, redemption (other than a redemption that is treated as a distribution) or other disposition of our ordinary shares or ADSs equal to the difference between the amount realized upon the disposition and the U.S. holder's adjusted tax basis in the shares so disposed. Such capital gain or loss will be a long-term capital gain or loss if the U.S. holder's holding period for the shares disposed of exceeds one year at the time of disposition. Long-term capital gains of non-corporate taxpayers are generally taxed at a lower maximum marginal tax rate than the maximum marginal tax rate applicable to ordinary income. The deductibility of net capital losses by individuals and corporations is subject to limitations.

Foreign Currency

The amount of any distribution paid to a U.S. holder in foreign currency, or the amount of proceeds paid in foreign currency on the sale, exchange or other taxable disposition of our ordinary shares or ADSs, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. holders who use the accrual method of tax accounting. Each U.S. holder should consult its own tax advisors concerning issues related to foreign currency.

Information Reporting and Backup Withholding

Information returns will be filed with the IRS in connection with payments of dividends and the proceeds from a sale or other disposition of ordinary shares or ADSs payable to a U.S. Holder. Certain U.S. holders may be subject to backup withholding with respect to the payment of dividends and certain payments of proceeds on the sale or redemption of ordinary shares or ADSs unless such U.S. holder provides proof of an applicable exemption or a correct taxpayer identification number (usually with an IRS Form W-9), and otherwise comply with applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules from a payment to a U.S. holder is allowable as a credit against such U.S. holder's U.S. federal income tax, which may entitle the U.S. holder to a refund, provided that the U.S. holder timely provides the required information to the IRS. Moreover, certain penalties may be imposed by the IRS on a U.S. holder who is required to furnish information but does not do so in the proper manner.

Non-U.S. Holders

Distributions

It is unlikely that we will pay any dividends on our ordinary shares or ADSs in the foreseeable future. If we make cash or other property distributions on our ordinary shares or ADSs, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's tax basis in our ordinary shares, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of our ordinary shares and will be treated as described under "*—Gain On Sale or Redemption*" below.

Subject to the discussion below regarding effectively connected income, any dividend income paid to a non-U.S. holder of our ordinary shares or ADSs generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends, or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or our paying agent a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) including a U.S. taxpayer identification number and certifying such holder's qualification for the reduced rate. This certification must be provided to us or our paying agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If a non-U.S. holder holds our ordinary shares in connection with the conduct of a trade or business in the United States, and dividends paid on our ordinary shares or ADSs are effectively connected with such holder's U.S. trade or business (and are attributable to such holder's permanent establishment in the United States if required by an applicable tax treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our ordinary shares or ADSs generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding these rules and any applicable income tax treaties that may provide for different rules.

Sale or Redemption

Subject to the discussion below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our ordinary shares or ADSs, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our ordinary shares or ADSs constitute a "United States real property interest" by reason of our status as a United States real property holding corporation, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our ordinary shares or ADSs, and our ordinary shares or ADSs, as applicable, are not regularly traded on an established securities market during the calendar year in which the sale or other disposition occurs.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

A non-U.S. holder described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Determining whether we are a United States real property holding corporation in the third bullet point above depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We believe that we are not currently and do not anticipate becoming a United States real property holding corporation for U.S. federal income tax purposes but cannot give assurance that we are not or will not become a United States real property holding corporation. Even if we are or were to become a United States real property holding corporation, gain arising from the sale or other taxable disposition by a non-U.S. holder of our ordinary shares or ADSs will not be subject to U.S. federal income tax on transfers of United States real property holding corporation shares if the ordinary shares or ADSs are "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such non-U.S. holder owned, actually and constructively, 5% or less of the ordinary shares or ADSs, as applicable, throughout the shorter of, the five-year period ending on the date of the sale or other taxable disposition or, the Non-U.S. holder's holding period. We do not expect that our ordinary shares will be treated as regularly traded on an established securities market, and there can be no assurance that our ADSs will qualify or continue to qualify as regularly traded on an established securities market. If any gain on a non-U.S. holder's disposition is taxable because we are a United States real property holding corporation and our ordinary shares or ADSs are not treated as regularly traded on an established securities market, the non-U.S. holder will be taxed on such disposition generally in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business (subject to the provisions under an applicable income tax treaty), except that the branch profits tax generally will not apply.

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of dividends on our ordinary shares or ADSs paid to such holder and the amount of any tax withheld with respect to those dividends. These information reporting requirements apply even if no withholding was required because the dividends were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our ordinary shares or ADSs provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

Withholding on Foreign Entities or Accounts

Sections 1471 to 1474 of the Code, or FATCA, imposes a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes.

FATCA applies to dividends paid on our ordinary shares and ADSs. Proposed regulations issued by the Treasury Department (on which taxpayers are entitled to rely until final regulations are issued) eliminate the federal withholding tax of 30% imposed by FATCA to gross proceeds of a sale or other disposition of our ordinary shares or ADSs. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this FATCA on their investment in our ordinary shares or ADSs.

Cayman Islands

Regardless of the application of Section 7874 of the Code (as discussed below), we are also treated as a Cayman corporation for Cayman tax purposes. However, we are not subject to income or capital gains tax under the current laws of the Cayman Islands. There are no other taxes likely to be material to us levied by the government of the Cayman Islands.

We are and are expected to continue to be a Cayman Islands corporation as of the date of this prospectus. We are treated as an exempted company for Cayman Islands tax purposes.

PRC Taxation

We are a holding company incorporated in the Cayman Islands.

Under the Enterprise Income Tax Law of the People's Republic of China, or EIT Law, and its implementation rules, an enterprise established outside of China with a "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 SAT Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a Chinese-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by Chinese enterprises or Chinese enterprise groups, not those controlled by Chinese 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 SAT Circular 82, all offshore enterprises controlled by a Chinese enterprise or a Chinese enterprise will be regarded as a Chinese tax resident by virtue of having its "de facto management body" in China only 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.

We believe that neither we nor any of its subsidiaries outside of China is a Chinese resident enterprise for Chinese tax purposes. We are not controlled by a Chinese enterprise or Chinese enterprise group, and we do not believe that we meet all of the conditions above. We are a company incorporated outside China. As a holding company, some of our key assets are located, and our records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside China. For the same reasons, we believe our other subsidiaries outside of China are also not Chinese resident enterprises for Chinese tax purposes. However, the tax resident status of an enterprise is subject to determination by the Chinese tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body."

If the Chinese tax authorities determine that we are a Chinese resident enterprise for Enterprise Income Tax, or EIT, purposes, we may be required to withhold tax at a rate of 10% on dividends we pay to our shareholders, including holders of our ADSs, that are non-resident enterprises. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% Chinese withholding tax on gains realized on the sale or other disposition of ordinary shares or ADSs, if such income is treated as sourced from within China. Furthermore, gains derived by our non-Chinese individual shareholders from the sale of our ordinary shares and ADSs may be subject to a 20% Chinese withholding tax. It is unclear whether our non-Chinese individual shareholders (including our ADS holders) would be subject to any Chinese tax (including withholding tax) on dividends received by such non-Chinese individual shareholders in the event we are determined to be a Chinese resident enterprise. If any Chinese tax were to apply to dividends realized by non-Chinese individuals, it will generally apply at a rate of 20%. The Chinese tax liability may be reduced under applicable tax

treaties. However, it is unclear whether our non-Chinese shareholders would be able to claim the benefits of any tax treaty between their country of tax residence and China in the event that we are treated as a Chinese resident enterprise.

See the section titled "Risk Factors—Risks Related to Doing Business in China and Our International Operations—If we are classified as a China resident enterprise for China income tax purposes, such classification could result in unfavorable tax consequences to us and our non-Chinese shareholders or ADS holders."

Pursuant to the EIT Law and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in China, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its Chinese-sourced income at a rate of 10%. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the tax rate in respect to dividends paid by a Chinese enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the Chinese enterprise. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements, or SAT Circular 81, a Hong Kong resident enterprise must meet the following conditions, among others, in order to enjoy the reduced tax rate: (i) it must directly own the required percentage of equity interests and voting rights in the Chinese resident enterprise; and (ii) it must have directly owned such percentage in the Chinese resident enterprise throughout the 12 months prior to receiving the dividends. Additionally, China has started an anti-tax treaty shopping practice since the issuance of Circular 601 in 2009. On February 3, 2018, the State Administration of Taxation released the Announcement on Issues concerning the "Beneficial Owner" in Tax Treaties, or PN9, which provides guidelines in determining a beneficial owner qualification under dividends, interest and royalty articles of tax treaties. Chinese tax authorities in general often scrutinize fact patterns case by case in determining foreign shareholders' qualifications for a reduced treaty withholding tax rate, especially against foreign companies that are perceived as being conduits or lacking commercial substance. Furthermore, according to the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Tax Treaties, which became effective in January 2020, where non-resident enterprises judge by themselves that they meet the conditions for entitlement to reduced tax rate according to tax treaties, they may enjoy such entitlement after reporting required information to competent tax authorities provided that they shall collect and retain relevant documents for future reference and inspections. Accordingly, our ShouTi Hong Kong Ltd. subsidiary may be able to enjoy the 5% tax rate for the dividends it receives from its Chinese incorporated subsidiaries if they satisfy the conditions prescribed under SAT Circular 81, PN9 and other relevant tax rules and regulations and complete the necessary government formalities. However, according to SAT Circular 81, if the relevant tax authorities determine our transactions or arrangements are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable tax rate on dividends in the future.

If our Cayman Islands holding company, Structure Therapeutics Inc., is not deemed to be a Chinese resident enterprise, holders of our ordinary shares and ADSs who are not Chinese residents will not be subject to Chinese income tax on dividends distributed by us. With respect to gains realized from the sale or other disposition of the shares or ADSs, there is a possibility that a Chinese tax authority may impose an income tax under the indirect transfer rules set out under the Announcement of the State Administration of Taxation on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises, or SAT Circular 7, except that such transaction could fall under the safe harbor thereunder. See the section titled "Risk Factors—Risks Related to Doing Business in China and Our International Operations —We and our shareholders face uncertainties in China with respect to indirect transfers of equity interests in China resident enterprises."

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, dated _____, 2023, between us and Jefferies LLC, SVB Securities LLC, Guggenheim Securities, LLC and BMO Capital Markets Corp., as the representatives of the underwriters named below and the joint book-running managers of this offering, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us the respective number of ADSs shown opposite its name below:

UNDERWRITER	NUMBER OF ADSS
Jefferies LLC	
SVB Securities LLC	
Guggenheim Securities, LLC	
BMO Capital Markets Corp.	
Total	8,950,000

The underwriting agreement provides that the obligations of the several underwriters are subject to certain conditions precedent such as the receipt by the underwriters of officers' certificates and legal opinions and approval of certain legal matters by their counsel. The underwriting agreement provides that the underwriters will purchase all of the ADSs if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated. We have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities. The underwriters have advised us that, following the completion of this offering, they currently intend to make a market in the ADSs as permitted by applicable laws and regulations. However, the underwriters are not obligated to do so, and the underwriters may discontinue any market-making activities at any time without notice in their sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading market for the ADSs, that you will be able to sell any of the ADSs held by you at a particular time or that the prices that you receive when you sell will be favorable.

The underwriters are offering the ADSs subject to their acceptance of the ADSs from us and subject to prior sale. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. In addition, the underwriters have advised us that they do not intend to confirm sales to any account over which they exercise discretionary authority.

Commission and Expenses

The underwriters have advised us that they propose to offer the ADSs to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers, which may include the underwriters, at that price less a concession not in excess of \$ _____ per ADS. The underwriters may allow, and certain dealers may reallow, a discount from the concession not in excess of \$ _____ per ADS to certain brokers and dealers. After the offering, the initial public offering price, concession and reallowance to dealers may be reduced by the representatives. No such reduction will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus.

The following table shows the public offering price, the underwriting discounts and commissions that we are to pay the underwriters and the proceeds, before expenses, to us in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs.

	TOTAL			
	PER ADS WITHOUT OPTION TO PURCHASE	WITH OPTION TO PURCHASE	WITHOUT OPTION TO PURCHASE	WITH OPTION TO PURCHASE
	ADDITIONAL ADSS	ADDITIONAL ADSS	ADDITIONAL ADSS	ADDITIONAL ADSS
Public offering price	\$	\$	\$	\$
Underwriting discounts and commissions paid by us	\$	\$	\$	\$
Proceeds to us, before expenses	\$	\$	\$	\$

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately \$5,050,000. We have also agreed to reimburse the underwriters for certain of their expenses in amount up to \$120,000.

Determination of Offering Price

Prior to this offering, there has not been a public market for our ADSs. Consequently, the initial public offering price for our ADSs will be determined by negotiations between us and the representatives. Among the factors to be considered in these negotiations will be prevailing market conditions, our financial information, market valuations of other companies that we and the underwriters believe to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant.

We offer no assurances that the initial public offering price will correspond to the price at which the ADSs will trade in the public market subsequent to the offering or that an active trading market for the ADSs will develop and continue after the offering.

Listing

We have applied to have our ADSs approved for listing on the Nasdaq Global Market under the trading symbol "GPCR."

Stamp Taxes

If you purchase ADSs offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

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, from time to time, in whole or in part, up to an aggregate of 1,342,500 ADSs from us at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to specified conditions, to purchase a number of additional ADSs proportionate to that underwriter's initial purchase commitment as indicated in the table above. This option may be exercised only if the underwriters sell more ADSs than the total number set forth on the cover page of this prospectus.

Directed Share Program

At our request, the underwriters have reserved up to 5% of the ADSs offered by this prospectus, excluding the additional ADSs that the underwriters have a 30-day option to purchase, for sale, at the initial public offering price, to certain of our directors, officers, employees, and other persons related to the company. If purchased by our directors and officers, these ADSs will be subject to a 180-day lock-up restriction. Pursuant to lock-up agreements contemplated below, Jefferies LLC and SVB Securities LLC may, in their sole discretion and at any time or from time to time before the termination of such 180-day period, release all or any portion of the securities subject to these lock-up agreements.

The number of ADSs available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved ADSs that are not so purchased will be offered by the underwriters

to the general public on the same basis as the other shares offered by this prospectus. Other than the underwriting discount described on the front cover of this prospectus, the underwriters will not be entitled to any commission with respect to the ADSs sold pursuant to the directed share program. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with sales of ADSs under the directed share program.

No Sales of Similar Securities

We, our officers, directors and holders of all or substantially all our outstanding share capital and other securities have agreed, subject to specified exceptions, not to directly or indirectly:

- sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, or establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Exchange Act, or otherwise dispose of any ordinary shares, ADSs, options or warrants to acquire ordinary shares or ADSs, or securities exchangeable or convertible into ordinary shares or ADSs currently or hereafter owned either of record or beneficially; or
- enter into any swap, hedge or similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of ordinary shares, ADSs, options or warrants to acquire ordinary shares or ADSs, or securities exchangeable or convertible into ordinary shares or ADSs, regardless of whether any such transaction is to be settled in securities, in cash or otherwise; or
- make any demand for, or exercise any right with respect to, the registration under the Securities Act of the offer and sale of any ordinary shares, ADSs, options or warrants to acquire ordinary shares or ADSs, or securities exchangeable or convertible into ordinary shares or ADSs, or cause to be filed a registration statement (except a registration statement on Form S-8 under the Securities Act), prospectus or prospectus supplement (or an amendment or supplement thereto) with respect to any such registration; or
- publicly announce an intention to do any of the foregoing for a period of 180 days after the date of this prospectus without the prior written consent of the representatives.

This restriction terminates after the close of trading of the ADSs on and including the 180th day after the date of this prospectus.

With respect to lock-up agreements that have been entered into by our officers, directors and holders of substantially all our outstanding share capital and other securities, or the Lock-up Parties, the foregoing restrictions do not apply to:

- (i) transfers made by the Lock-up Party by gift, will or intestate succession to a family member, to a trust whose beneficiaries consist exclusively of one or more of the Lock-up Party's family member, or as a bona fide gift to a charity or educational institution, if, in any such case, such transfer is not for value;
- (ii) transfers to any shareholder, partner, or member of, or owner of a similar equity interest in, the Lock-up Party, as the case may be, if, in any such case, such transfer is not for value;
- (iii) transfers made by the Lock-up Party to another corporation, partnership, limited liability company or other business entity so long as the transferee is an affiliate of the Lock-up Party and such transfer is not for value;
- (iv) transfers relating to ADSs acquired in this offering if the Lock-up Party is not an officer or director or in open market transactions after completion of this offering, provided that no filing under the Exchange Act (other than reports filed under Section 13 of the Exchange Act) shall be required, and such transaction is not publicly announced (whether on Form 4, Form 5 or otherwise) during the period ending 180 days after the date of this prospectus, or the Lock-up Period, and, if the filing of a report is required under Section 13 of the Exchange Act during the Lock-Up Period, such filing shall clearly indicate the type of transaction giving rise to the change in ownership;
- (v) the entry, by the Lock-up Party, at any time on or after the date of the underwriting agreement, of any trading plan providing for the sale of ordinary shares or ADSs by the Lock-up Party, which trading plan meets the requirements of Rule 10b5-1(c) under the Exchange Act, provided, however, that

such plan does not provide for, or permit, the sale of any ordinary shares or ADSs during the Lock-Up Period and no public announcement or filing is voluntarily made or required regarding such plan during the Lock-Up Period;

- (vi) transfers made by the Lock-up Party to us in connection with the exercise, vesting or settlement of options, warrants, or other rights to acquire ADSs or ordinary shares in accordance with their terms (including, in each case, by way of net exercise and/or to cover withholding tax obligations);
- (vii) transfers of ordinary shares, ADSs, options or warrants or other rights to acquire ordinary shares or ADSs or any securities exchangeable or exercisable for or convertible into ordinary shares or ADSs, or to acquire other securities or rights ultimately exchangeable or exercisable for or convertible into ordinary shares or ADSs, in each case pursuant to a bona fide third-party tender offer for our securities, merger, consolidation or other similar transaction made to all holders of our securities involving a change of control, which transaction is approved by our board, provided that all of Lock-up Party's securities not so transferred, sold, tendered or otherwise disposed of remain subject to the related lock-up agreement, and provided further that it shall be a condition of the transfer that if the tender offer, merger, consolidation or other such transaction is not completed, the Lock-up Party's securities subject to the related lock-up agreement shall remain subject to the restrictions of the lock-up agreement;
- (viii) conversions of our outstanding preferred shares into ordinary shares or the transfer of ordinary shares to a depository in exchange for ADSs, provided that any such ordinary shares received upon such conversion or ADSs received upon exchange shall be subject to these restrictions on transfer;
- (ix) transfers by (A) operation of law pursuant to a court order or (B) a settlement agreement related to the distribution of assets in connection with the dissolution of a marriage or civil union; and
- (x) to any transfer of the Lock-up Party's ordinary shares, ADSs, options or warrants or other rights to acquire ordinary shares or ADSs or any securities exchangeable or exercisable for or convertible into ordinary shares or ADSs to us in connection with (A) the termination of the Lock-up Party's employment with us, or (B) pursuant to agreements under which we have the option to repurchase such shares,

provided that (A) in the case of any transfer described in clause (i), (ii), (iii) or (ix) above, it shall be a condition to the transfer that each transferee executes and delivers to the representatives an agreement in form and substance satisfactory to the representatives stating that such transferee is receiving and holding such ordinary shares, ADSs, options or warrants or other rights to acquire ordinary shares or ADSs or any securities exchangeable or exercisable for or convertible into ordinary shares or ADSs subject to the provisions of the lock-up agreement and agrees to comply with the restrictions set forth in the lock-up agreement, (B) in the case of any transfer described in clause (i), (ii), (iii) and (iv) above, prior to the expiration of the Lock-up Period, no public disclosure or filing under Section 16 of the Exchange Act by any party to the transfer (donor, donee, transferor or transferee) shall be required, or made voluntarily, reporting a reduction in beneficial ownership in connection with such transfer, and (C) in the case of any transfer described in clause (vi), (viii), (ix) or (x) above, that any required filing under Section 16 of the Exchange Act shall indicate in the footnotes thereto that the filing relates to the circumstances described in such clause and no other public announcement shall be required or shall be made voluntarily in connection with such transfer.

Jefferies LLC and SVB Securities LLC may, in their sole discretion and at any time or from time to time before the termination of the Lock-up Period release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any of our shareholders who will execute a lock-up agreement, providing consent to the sale of ADSs or ordinary shares prior to the expiration of the lock-up period.

Stabilization

The underwriters have advised us that they, pursuant to Regulation M under the Exchange Act, and certain persons participating in the offering may engage in short sale transactions, stabilizing transactions, syndicate covering transactions or the imposition of penalty bids in connection with this offering. These activities may

have the effect of stabilizing or maintaining the market price of the ADSs at a level above that which might otherwise prevail in the open market. Establishing short sales positions may involve either "covered" short sales or "naked" short sales.

"Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares of our ADSs in this offering. The underwriters 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 ADSs through the option to purchase additional ADSs.

"Naked" short sales are sales in excess of the option to purchase additional ADSs. 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 ADSs in the open market after pricing that could adversely affect investors who purchase in this offering.

A stabilizing bid is a bid for the purchase of ADSs on behalf of the underwriters for the purpose of fixing or maintaining the price of the ADSs. A syndicate covering transaction is the bid for or the purchase of ADSs on behalf of the underwriters to reduce a short position incurred by the underwriters in connection with the offering. Similar to other purchase transactions, the underwriter's purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our ADSs or preventing or retarding a decline in the market price of our ADSs. As a result, the price of our ADSs may be higher than the price that might otherwise exist in the open market. A penalty bid is an arrangement permitting the underwriters to reclaim the selling concession otherwise accruing to a syndicate member in connection with the offering if the ADSs originally sold by such syndicate member are purchased in a syndicate covering transaction and therefore have not been effectively placed by such syndicate member.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of ADSs. The underwriters are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

The underwriters may also engage in passive market making transactions in our ADSs on the Nasdaq Global Market in accordance with Rule 103 of Regulation M during a period before the commencement of offers or sales of ADSs in this offering and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specified purchase limits are exceeded.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or on the web sites or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of ADSs for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters' web sites and any information contained in any other web site maintained by any of the underwriters is not part of this prospectus, has not been approved and/or endorsed by us or the underwriters and should not be relied upon by investors.

Other Activities and Relationships

The underwriters and certain of their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and certain of their affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for us and our affiliates, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriter and certain of its 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 such investment and securities activities may involve securities and/or instruments issued by us and our affiliates. If the underwriters or their respective affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. The underwriters and their respective affiliates may hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the ADSs offered hereby. Any such short positions could adversely affect future trading prices of the ADSs offered hereby. The underwriters and certain of their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Disclaimers about Non-U.S. Jurisdictions

Canada

Resale Restrictions

The distribution of ADSs in Canada is being made only in the provinces of Ontario, Quebec, Alberta, British Columbia, Manitoba, New Brunswick and Nova Scotia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the ADSs in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

Representations of Canadian Purchasers

By purchasing ADSs in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the ADSs without the benefit of a prospectus qualified under those securities laws as it is an "accredited investor" as defined under National Instrument 45-106—*Prospectus Exemptions or Section 73.3(1) of the Securities Act (Ontario)*, as applicable;
- the purchaser is a "permitted client" as defined in National Instrument 31-103—*Registration Requirements, Exemptions and Ongoing Registrant Obligations*;
- where required by law, the purchaser is purchasing as principal and not as agent; and
- the purchaser has reviewed the text above.

Conflicts of Interest

Canadian purchasers are hereby notified that certain of the underwriters are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105—*Underwriting Conflicts* from having to provide certain conflict of interest disclosure in this document.

Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the prospectus (including any amendment thereto) such as this document 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 of these securities in Canada 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.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of ADSs should consult their own legal and tax advisors with respect to the tax consequences of an investment in the ADSs in their particular circumstances and about the eligibility of the ADSs for investment by the purchaser under relevant Canadian legislation.

Australia

This prospectus is not a disclosure document for the purposes of Australia's Corporations Act 2001 (Cth) of Australia, or Corporations Act, has not been lodged with the Australian Securities & Investments Commission and is only directed to the categories of exempt persons set out below. Accordingly, if you receive this prospectus in Australia:

You confirm and warrant that you are either:

- a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;
- a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to us which complies with the requirements of section 708(8)(c) (i) or (ii) of the Corporations Act and related regulations before the offer has been made;
- a person associated with us under Section 708(12) of the Corporations Act; or
- a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

To the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this prospectus is void and incapable of acceptance.

You warrant and agree that you will not offer any of the securities issued to you pursuant to this prospectus for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

European Economic Area

In relation to each Member State of the European Economic Area, or a Relevant State, no shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the ADSs which have been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the ADSs may be offered to the public in that Relevant State at any time:

- to any legal entity which is a "qualified investor" as defined under Article 2 of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of representatives for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the ADSs shall require us or any of the representatives 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 "offer to the public" in relation to the ADSs in any Relevant 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

No securities have been offered or sold, and no securities may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong, or SFO, and any rules made under that Ordinance; or in other circumstances which do not

result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong, or CO, or which do not constitute an offer or invitation to the public for the purpose of the CO or the SFO. No document, invitation or advertisement relating to the securities has been issued or 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 of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

This prospectus has not been registered with the Registrar of Companies in Hong Kong. Accordingly, this prospectus may not be issued, circulated or distributed in Hong Kong, and the securities may not be offered for subscription to members of the public in Hong Kong. Each person acquiring the securities will be required, and is deemed by the acquisition of the securities, to confirm that he is aware of the restriction on offers of the securities described in this prospectus and the relevant offering documents and that he is not acquiring, and has not been offered any securities in circumstances that contravene any such restrictions.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Securities Law, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, and any offer of the ADSs is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Japan

The offering has not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended), or FIEL, and the underwriters will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This prospectus has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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 notes 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 (as defined in Section 239(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 notes pursuant to an offer made under Section 275 of the SFA except (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA, (ii) where no consideration is or will be given for the transfer, (iii) where the transfer is by operation of law, (iv) as specified in Section 276(7) of the SFA, or (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The securities may 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 the securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the offering, us or the securities 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 securities will not be supervised by, the Swiss Financial Market Supervisory Authority, or FINMA, and the offer of securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of securities.

United Kingdom

No shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the ADSs which has been approved by the Financial Conduct Authority, except that the ADSs may be offered to the public in the United Kingdom at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the ADSs shall require us or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the ADSs in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

LEGAL MATTERS

We are being represented by Cooley LLP, San Diego, California, with respect to certain legal matters as to U.S. federal securities laws. The validity of the ordinary shares represented by the ADSs offered in this offering will be passed upon for us by Travers Thorp Alberga. Certain legal matters as to Chinese law will be passed upon for us by Zhong Lun Law Firm. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP, San Diego, California. As of the date of this prospectus, Cooley LLP beneficially owns an aggregate of 177,000 of our ordinary shares, and GC&H Investments, LLC, an entity that is comprised of partners and associates of Cooley LLP, beneficially own an aggregate of 172,303 of our Series A+ convertible preferred shares, which will be converted into 172,303 ordinary shares upon the closing of this offering.

EXPERTS

The financial statements as of December 31, 2021 and 2020 and for the years then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including exhibits and schedules, under the Securities Act, with respect to the ADSs being offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the ADSs offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You may read our SEC filings, including this registration statement, over the Internet at the SEC's website at www.sec.gov. Upon the closing of this offering, we will be subject to the information reporting requirements of the Exchange Act and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for review on the web site of the SEC referred to above. We also maintain a website at www.structuretx.com, at which, following the completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on or accessible through our website is not a part of this prospectus or the registration statement of which it forms a part, and the inclusion of our website address in this prospectus is an inactive textual reference only.

**STRUCTURE THERAPEUTICS INC.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Structure Therapeutics Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Structure Therapeutics Inc. (formerly known as ShouTi Inc.) and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive loss, of redeemable convertible preferred shares, redeemable noncontrolling interest and shareholders' 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, 2021 and 2020, 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. 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 LLP

San Jose, California
May 12, 2022

We have served as the Company's auditor since 2020.

STRUCTURE THERAPEUTICS INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	DECEMBER 31,	
	2020	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 16,352	\$105,305
Short-term investments	21,093	2,002
Prepaid expenses and other current assets	974	1,943
Total current assets	38,419	109,250
Property and equipment, net	19	1,185
Operating right-of-use assets	258	609
Other non-current assets	8	111
Total assets	<u>\$ 38,704</u>	<u>\$ 111,155</u>
Liabilities, redeemable convertible preferred shares and shareholders' deficit		
Current liabilities:		
Accounts payable	\$ 1,527	\$ 3,484
Accrued expenses and other current liabilities	1,365	4,825
Operating lease liabilities, current portion	147	349
Total current liabilities	3,039	8,658
Operating lease liabilities, net of current portion	133	272
Total liabilities	3,172	8,930
Commitments and contingencies (Note 6)		
Series A redeemable convertible preferred shares—\$0.0001 par value, 19,200 shares authorized, issued and outstanding as of December 31, 2020 and 2021 (liquidation preference of \$32,001 as of December 31, 2020 and 2021)	32,001	32,001
Series A+ redeemable convertible preferred shares—\$0.0001 par value, 12,800 shares authorized, issued and outstanding as of December 31, 2020 and 2021 (liquidation preference of \$26,000 as of December 31, 2020 and 2021)	26,000	26,000
Series B redeemable convertible preferred stock—\$0.0001 par value, 0 and 24,702 shares authorized, issued and outstanding as of December 31, 2020 and 2021, respectively (liquidation preference of \$0 and \$100,000 as of December 31, 2020 and 2021, respectively)	—	100,000
Series B-1 redeemable convertible preferred stock—\$0.0001 par value, 0 and 2,161 shares authorized, issued and outstanding as of December 31, 2020 and 2021, respectively (liquidation preference of \$0 and \$7,000 as of December 31, 2020 and 2021, respectively)	—	8,959
Shareholders' deficit:		
Ordinary shares—\$0.0001 par value; 468,000 and 441,137 shares authorized as of December 31, 2020 and 2021, respectively; 10,865 and 10,894 shares issued and outstanding as of December 31, 2020 and 2021, respectively	1	1
Additional paid-in capital	477	—
Accumulated other comprehensive loss	(1)	—
Accumulated deficit	(22,946)	(64,736)
Total shareholders' deficit	<u>(22,469)</u>	<u>(64,735)</u>
Total liabilities, redeemable convertible preferred shares and shareholders' deficit	<u>\$ 38,704</u>	<u>\$ 111,155</u>

The accompanying notes are an integral part of these consolidated financial statements.

STRUCTURE THERAPEUTICS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED DECEMBER 31,	
	2020	2021
Operating expenses:		
Research and development	\$ 12,364	\$ 29,111
General and administrative	3,542	8,585
Total operating expenses	<u>15,906</u>	<u>37,696</u>
Loss from operations	(15,906)	(37,696)
Interest and other income (expense), net	168	(122)
Loss before income tax expense	(15,738)	(37,818)
Provision for income taxes	138	231
Net loss	(15,876)	(38,049)
Less: Accretion of redeemable convertible preferred shares to their redemption value	(163)	(3,757)
Less: Excess of the fair value of the consideration paid over the carrying value of redeemable noncontrolling interest	—	(1,959)
Net loss attributable to ordinary shareholders	<u>\$(16,039)</u>	<u>\$(43,765)</u>
Net loss per share attributable to ordinary shareholders, basic and diluted	<u>\$ (2.56)</u>	<u>\$ (5.38)</u>
Weighted-average ordinary shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	<u>6,262</u>	<u>8,141</u>
Other comprehensive loss:		
Unrealized (loss) gain on investments, net	(1)	1
Total other comprehensive (loss) gain	(1)	1
Comprehensive loss	<u>\$(15,877)</u>	<u>\$(38,048)</u>

The accompanying notes are an integral part of these consolidated financial statements.

STRUCTURE THERAPEUTICS INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED SHARES, REDEEMABLE NONCONTROLLING
INTEREST AND SHAREHOLDERS' DEFICIT
(IN THOUSANDS)

	REDEEMABLE CONVERTIBLE PREFERRED SHARES								REDEEMABLE NONCONTROLLING INTEREST	ORDINARY SHARES					TOTAL SHAREHOLDERS' DEFICIT
	SERIES A		SERIES A+		SERIES B		SERIES B-1			SHARES	AMOUNT	PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE LOSS	ACCUMULATED DEFICIT	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT							
Balance at December 31, 2019	19,200	\$ 32,001	—	\$ —	—	\$ —	—	\$ —	—	10,865	\$ 1	\$ —	\$ —	\$ (7,070)	\$ (7,069)
Issuance of Series A+ redeemable convertible preferred shares, net of issuance costs of \$163	—	—	12,800	25,837	—	—	—	—	—	—	—	—	—	—	—
Accretion of redeemable convertible preferred shares to their redemption value	—	—	—	163	—	—	—	—	—	—	(163)	—	—	—	(163)
Issuance of ordinary share warrants	—	—	—	—	—	—	—	—	—	—	70	—	—	—	70
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—	570	—	—	—	570
Unrealized loss on investments, net	—	—	—	—	—	—	—	—	—	—	—	(1)	—	—	(1)
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(15,876)	—	(15,876)
Balance at December 31, 2020	19,200	\$ 32,001	12,800	\$ 26,000	—	\$ —	—	\$ —	—	10,865	\$ 1	\$ 477	\$ (1)	\$ (22,946)	\$ (22,469)
Issuance of Series B redeemable convertible preferred shares, net of issuance costs of \$3,551	—	—	—	—	24,702	96,449	—	—	—	—	—	—	—	—	—
Accretion of Series B redeemable convertible preferred shares to their redemption value	—	—	—	—	—	3,551	—	—	—	—	(1,038)	—	—	(2,513)	(3,551)
Issuance of Series Seed redeemable convertible preferred shares of Basecamp to noncontrolling interest holders, net of issuance costs of \$91	—	—	—	—	—	—	—	—	6,909	—	—	—	—	—	—

The accompanying notes are an integral part of these consolidated financial statements.

STRUCTURE THERAPEUTICS INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED SHARES, REDEEMABLE NONCONTROLLING
INTEREST AND SHAREHOLDERS' DEFICIT
(IN THOUSANDS)

	REDEEMABLE CONVERTIBLE PREFERRED SHARES								REDEEMABLE NONCONTROLLING INTEREST	ORDINARY SHARES		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE LOSS	ACCUMULATED DEFICIT	TOT. SHAREHOLDERS' DEFICIT
	SERIES A		SERIES A+		SERIES B		SERIES B-1			SHARES	AMOUNT				
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT							
Accretion of Series Seed															
redeemable convertible preferred shares to their redemption value	—	—	—	—	—	—	—	—	91	—	—	—	—	(91)	
Issuance of Series B-1															
redeemable convertible preferred shares in exchange of redeemable noncontrolling interest, net of issuance costs of \$115 (including \$1,959 representing the excess of the fair value of Series B-1 redeemable convertible preferred shares over the carrying amount of redeemable noncontrolling interest)	—	—	—	—	—	—	2,161	8,844	(7,000)	—	—	(937)	—	(1,022)	
Accretion of Series B-1															
redeemable convertible preferred shares to their redemption value	—	—	—	—	—	—	—	—	115	—	—	—	—	(115)	
Issuance of ordinary share upon exercise of vested share options	—	—	—	—	—	—	—	—	—	29	—	11	—	—	
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—	—	1,487	—	—	
Unrealized gain on investments, net	—	—	—	—	—	—	—	—	—	—	—	—	1	—	
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	(38,049)	(38,049)
Balance at December 31, 2021	19,200	\$ 32,001	12,800	\$ 26,000	24,702	\$100,000	2,161	\$ 8,959	\$ —	10,894	\$ 1	\$ —	\$ —	\$ (64,736)	\$ (64,736)

The accompanying notes are an integral part of these consolidated financial statements.

STRUCTURE THERAPEUTICS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,	
	2020	2021
Cash flows from operating activities		
Net loss	\$(15,876)	\$(38,049)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	570	1,487
Depreciation	—	72
Non-cash lease expense	20	194
Amortization of net investment premium	34	27
Amortization of debt discount and issuance costs	23	47
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(919)	(1,008)
Other non-current assets	39	(36)
Accounts payable	1,020	1,897
Accrued expenses and other current liabilities	804	3,413
Operating lease liabilities	2	(204)
Net cash used in operating activities	<u>(14,283)</u>	<u>(32,160)</u>
Cash flows from investing activities		
Purchases of short-term investments	(21,128)	(4,212)
Maturities of short-term investments	—	23,277
Purchases of property and equipment	(19)	(1,206)
Net cash (used in) provided by investing activities	<u>(21,147)</u>	<u>17,859</u>
Cash flows from financing activities		
Proceeds from issuance of Series A+ redeemable convertible preferred shares, net of issuance costs	25,837	—
Proceeds from issuance of Series B redeemable convertible preferred shares, net of issuance costs	—	96,449
Proceeds from issuance of Series Seed redeemable convertible preferred shares of Basecamp to noncontrolling interest holders	—	6,909
Proceeds from exercise of share options	—	11
Payment of Series B-1 redeemable convertible preferred shares issuance costs	—	(115)
Net cash provided by financing activities	<u>25,837</u>	<u>103,254</u>
Net change in cash and cash equivalents	<u>(9,593)</u>	<u>88,953</u>
Cash and cash equivalents		
Beginning of the period	25,945	16,352
End of the period	<u>\$ 16,352</u>	<u>\$105,305</u>
Supplemental disclosures of noncash investing and financing activities		
Issuance of ordinary share warrants	<u>\$ 70</u>	<u>\$ —</u>
Accretion of redeemable convertible preferred shares to their redemption value	<u>\$ 163</u>	<u>\$ 3,757</u>
Issuance of Series B-1 redeemable convertible preferred stock to noncontrolling interest holders in exchange of Series Seed redeemable convertible preferred stock of Basecamp	<u>\$ —</u>	<u>\$ 8,959</u>
Purchases of property and equipment in accounts payable and accrued expenses and other current liabilities	<u>\$ —</u>	<u>\$ 32</u>
Operating lease right-of-use assets obtained in exchange for new lease liabilities, net	<u>\$ 278</u>	<u>\$ 545</u>
Deferred offering costs included in accounts payable and accrued expenses and other current liabilities	<u>\$ —</u>	<u>\$ 75</u>

The accompanying notes are an integral part of these consolidated financial statements.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS

1. Organization and Nature of the Business

Structure Therapeutics Inc. (the "Company") (formerly known as ShouTi, Inc.) is a clinical stage global biopharmaceutical company aiming to develop and deliver novel oral therapeutics to treat a wide range of chronic diseases with unmet medical needs. The Company was incorporated in February 2019 in the Cayman Islands, with operating subsidiaries in the United States and China.

Prior to the formation of the Company, the operating activities were carried out by the subsidiaries of the Company. Structure Therapeutics USA Inc., a Delaware corporation ("StructureTx US"), was incorporated on June 6, 2016. On January 20, 2017, StructureTx US was reorganized as a limited liability company. Annapurna Bio, Inc. ("Annapurna"), a Delaware corporation, was incorporated on January 26, 2017, and Gasherbrum Bio, Inc. ("Gasherbrum"), a Delaware corporation, was incorporated on April 19, 2017.

On April 18, 2019, Annapurna, Gasherbrum, StructureTx US and the Company entered into a share exchange agreement (the "Share Exchange Agreement"). As a result of the Share Exchange Agreement, StructureTx US, Annapurna and Gasherbrum became wholly-owned subsidiaries of the Company. At the closing of the Share Exchange Agreement on April 18, 2019, the Company issued to the shareholders of Annapurna, Gasherbrum, and StructureTx US an aggregate of 10,766,250 ordinary shares (the "Share Exchange"). On April 19, 2019, ShouTi LLC was converted into ShouTi Inc., a Delaware corporation, which subsequently changed its name to Structure Therapeutics USA Inc. The Share Exchange was accounted for as a capital transaction.

On June 28, 2019, ShouTi Hong Kong Ltd ("ShouTi Hong Kong") was incorporated as a wholly-owned subsidiary of the Company. On July 26, 2019, Shanghai ShouTi Biotechnology Co., Ltd ("ShouTi Shanghai") was incorporated as a wholly-owned subsidiary of ShouTi Hong Kong. On April 1, 2020, Lhotse Bio, Inc. ("Lhotse") was incorporated as a wholly-owned subsidiary of the Company.

On February 10, 2021, the Company incorporated Basecamp Bio Inc. ("Basecamp") in the Cayman Islands with a wholly owned subsidiary, Basecamp Bio Hong Kong Limited ("Basecamp HK") in Hong Kong. Shanghai Basecamp Biotechnology Co., Ltd., a wholly owned subsidiary of Basecamp HK, was established on March 26, 2021 in Shanghai, China. The purpose of Basecamp is to develop certain of the Company's technologies in Mainland China. In March 2021, Basecamp issued 7,000,000 Series Seed shares to other investors that are also investors of the Company, which was accounted for as redeemable noncontrolling interest in the consolidated financial statements (see Note 8). In December 2021, the Company acquired the 7,000,000 Series Seed redeemable convertible preferred shares of Basecamp held by the other investors in exchange for 2,161,402 shares of its Series B-1 redeemable convertible preferred stock of the Company with Basecamp becoming a wholly owned subsidiary (see Note 8). The Company has consolidated Basecamp since its incorporation.

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries.

Liquidity and Capital Resources

The Company has incurred significant net operating losses and negative cash flows from operations since inception and had an accumulated deficit of \$64.7 million as of December 31, 2021. The Company has historically financed its operations primarily through the private placement of equity securities. To date, the Company has no product candidates approved for sale and therefore the Company has not generated any revenue from its products. The Company has not generated any revenue from collaboration or other agreements. Management expects operating losses and negative cash flows to continue for the foreseeable future, until such time, if ever, that it can generate significant sales from its product candidates currently in development or through collaboration or other agreements. The Company's prospects are subject to risks and uncertainties frequently encountered by companies in the biotechnology industry as discussed in Note 2.

While the Company has been able to raise multiple rounds of financing, there can be no assurance that additional financing will be available on terms which are favorable or at all. Failure to generate sufficient cash

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

flows from operations, raise additional capital or reduce certain discretionary spending would have a material adverse effect on the Company's ability to achieve its intended business objectives.

As of December 31, 2021, the Company had cash, cash equivalents and short-term investments of \$107.3 million. In addition, in April 2022, the Company issued and sold 8,155,272 shares of its Series B redeemable convertible preferred shares for gross proceeds of \$33.0 million. Based on its current business plan, the Company believes that its current cash, cash equivalents and short-term investments will be sufficient to fund its projected operations for at least 12 months from the date of the issuance of these consolidated financial statements.

Impact of the COVID-19 Pandemic

The current COVID-19 (coronavirus) pandemic, which is impacting worldwide economic activity, poses risk that the Company or its employees, contractors, suppliers, and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. Although the impact of COVID-19 has not been material to the Company and its operations, the extent to which the COVID-19 (coronavirus) pandemic will impact the Company's business will depend on future developments that are highly uncertain and cannot be predicted at this time.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements and related disclosures have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The functional and reporting currency of the Company and its subsidiaries is the U.S. dollar. The aggregate foreign currency transaction loss included in determining net loss was not material for the periods presented.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of expenses during the reporting periods. Such estimates include lease liability, accruals for research and development activities, Series B-1 redeemable convertible preferred shares valuation, ordinary share valuation and related share-based compensation and certain other accrued liabilities. Actual results could differ from those estimates.

Segments

The Company operates and manages its business as one reportable and operating segment, which is the business of research and development of medicines that target chronic diseases with high unmet medical needs. The Company's Chief Executive Officer, who is the chief operating decision maker, reviews financial information on an aggregate basis for purposes of allocating resources and evaluating financial performance. The Company's long-lived assets are primarily in China.

Concentration of Credit Risk

The Company is exposed to credit risk from its deposits of cash, cash equivalents and short-term investments in excess of the amount of insurance provided on such deposits. The Company invests its cash, cash equivalents and short-term investments in money market funds and corporate debt securities. The Company limits its credit risk associated with cash, cash equivalents and short-term investments by placing them with banks and institutions it believes are highly creditworthy and in highly rated investments. The Company has not experienced any losses on its deposits of cash, cash equivalents and short-term investments to date. The Company has no off-balance sheet concentrations of credit risk, such as foreign currency exchange contracts, option contracts or other hedging arrangements.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Risks and Uncertainties

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, protection of proprietary technology, dependence on key personnel, compliance with government regulations and the need to obtain additional financing to fund operations. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical studies, clinical trials and regulatory approval prior to commercialization. These efforts require significant amounts of additional resources, adequate personnel, infrastructure and extensive compliance and reporting.

The Company's product candidates are still in development and, to date, none of the Company's product candidates have been approved for sale and, therefore, the Company has not generated any revenue from any of its products.

There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be obtained or maintained, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will generate any revenue from any of its products. The Company operates in an environment of rapid change in technology and substantial competition from other pharmaceutical and biotechnology companies.

The Company relies and expects to continue to rely on a small number of vendors to manufacture supplies and materials for its use in the clinical trial programs. These programs could be adversely affected by a significant interruption in these manufacturing services.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with maturities of 90 days or less from the original date of purchase to be cash equivalents. As of December 31, 2020 and 2021, the Company's cash and cash equivalents consist of cash deposited with banks and investments in money market funds.

Short-Term Investments

The Company classifies its investments as available-for-sale and records them at fair value based upon market prices at period end. Unrealized gains and losses that are deemed temporary in nature are recorded in accumulated other comprehensive income as a separate component of shareholders' deficit. Dividend and interest income are recognized when earned. Realized gains and losses are included in earnings and are derived using the specific identification method for determining the cost of investments sold. The Company may sell these securities at any time for use in current operations.

Other-Than-Temporary Impairment

The Company evaluates its investments with unrealized losses for other-than-temporary impairment. When assessing investments for other-than-temporary declines in value, the Company considers factors such as, among other things, the extent and length of time the investment's fair value has been lower than its cost basis, the financial condition and near-term prospects of the investment, the Company's ability and intent to retain the investment for a period of time sufficient to allow for any anticipated recovery in fair value, and the expected cash flows from the security. If any adjustments to fair value reflects a decline in the value of the investment that the Company considers to be "other than temporary," the Company reduces the investment to fair value through a charge to the consolidated statements of operations and comprehensive loss. No such adjustments were necessary during the periods presented.

Fair Value of Financial Instruments

The Company establishes the fair value of its assets and liabilities using the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and established a fair value hierarchy based on the inputs used to measure fair value.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities approximate fair value due to their relatively short maturities. The Company determines the fair value of financial and non-financial assets and liabilities using the fair value hierarchy which establishes three levels of inputs that may be used to measure fair value (see Note 4).

Property and Equipment, Net

Property and equipment, net is stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally two to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the assets' estimated useful lives or the remaining term of the lease. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the balance sheet, and any resulting gain or loss is reflected in operating expenses in the period realized. Maintenance and repairs are charged to operating expenses as incurred.

Impairment of Long-Lived Assets

Long-lived assets consist primarily of property and equipment, net, and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require that a long-lived asset be tested for possible impairment, the Company compares the undiscounted cash flows expected to be generated by the asset group to the carrying amount of the asset group. If the carrying amount of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. During the years ended December 31, 2020 and 2021, the Company has not recorded impairment charges on its long-lived assets.

Deferred Offering Costs

The Company capitalizes, within other non-current assets, certain legal, accounting and other third-party fees that are directly related to the Company's in-process equity financings, including its planned initial public offering, until such financings are consummated. After consummation of the equity financing, these costs are recorded as a reduction of the proceeds received as a result of the offering. Should a planned equity financing be abandoned, terminated or significantly delayed, the deferred offering costs will be immediately written off to general and administrative expenses. As of December 31, 2020 and 2021, deferred offering costs were none and \$0.1 million, respectively.

Accrued Research and Development Expenses

The Company has entered into various agreements with contract manufacturing organizations ("CMOs") and contract research organizations ("CROs"). The Company's research and development accruals are estimated based on the level of services performed, progress of the studies, including the phase or completion of events, and contracted costs. The estimated costs of research and development provided, but not yet invoiced, are included in other current liabilities on the consolidated balance sheets. If the actual timing of the performance of services or the level of effort varies from the original estimates, the Company will adjust the accrual accordingly. Payments made to CMOs and CROs under these arrangements in advance of the performance of the related services are recorded as prepaid expenses and other current assets on the consolidated balance sheets until the services are rendered.

Leases

The Company determines if an arrangement is, or contains, a lease at inception and then classifies the lease as operating or financing based on the underlying terms and conditions of the contract. Leases with terms greater than one year are initially recognized on the consolidated balance sheets as right-of-use assets and lease liabilities based on the present value of lease payments over the expected lease term. The Company has also elected to not apply the recognition requirement to any leases within its existing classes of assets with a term of 12 months or less and does not include any options to purchase the underlying asset that the Company is reasonably certain to exercise. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

determining the present value of future payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Variable lease payments are excluded from the right-of-use assets and operating lease liabilities and are recognized in the period in which the obligation for those payments is incurred. The Company elected the practical expedient not to separate non-lease components from lease components for the Company's facility leases and to account for the lease and non-lease components as a single lease component.

Redeemable Convertible Preferred Shares

The Company records all shares of redeemable convertible preferred shares at the amount of proceeds received, less amounts allocated to redeemable convertible preferred shares tranche liability and issuance costs. The fair value of Series B-1 redeemable convertible preferred shares issued in connection with the Basecamp share exchange transaction was estimated at fair value based on market-based factors similar to those used in determining the fair value of ordinary shares. Though not mandatorily redeemable, the redeemable convertible preferred shares are recorded outside of permanent equity because in certain events considered not solely within the Company's control, such as a merger, acquisition, or sale of all or substantially all of the Company's assets (each, a "deemed liquidation event"), the redeemable convertible preferred shares may become redeemable at the option of the holders of at least a majority of the then outstanding shares on or after April 29, 2026. The Company made an accounting policy election to recognize changes in the redemption value of redeemable convertible preferred shares immediately as they occur and adjust the carrying value of redeemable convertible preferred shares to equal it to its redemption value at the end of each reporting period.

Research and Development Expenses

Research and development expenses include costs directly attributable to the conduct of research and development programs, including payroll and related expenses, costs for CMOs, costs for CROs, materials, supplies, consulting costs, and the allocated portions of facility costs, such as rent, utilities, insurance, information technology costs and general support services. Research and development costs are expensed within the consolidated statements of operations and comprehensive loss as incurred.

Fair Value of Ordinary Shares

The fair value of the Company's ordinary shares is determined by its Board of Directors with input from management and third-party valuation specialists. The Company's approach to estimate the fair value of the Company's ordinary shares is consistent with the methods outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation. Determining the best estimated fair value of the Company's ordinary shares requires significant judgment and management considers several factors, including the Company's stage of development, equity market conditions affecting comparable public companies, significant milestones and progress of research and development efforts.

Share-Based Compensation

The Company accounts for share-based compensation arrangements with employees and non-employees using a fair value method which requires the recognition of compensation expense for costs related to all share-based payments including share options. The fair value method requires the Company to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model to estimate the fair value of options granted that are expensed on a straight-line basis over the requisite service period, which is generally the vesting period. The Company accounts for forfeitures as they occur. Option valuation models, including the Black-Scholes option-pricing model, require the input of several assumptions.

The Company granted share options to employees of China. The exercise of share options granted to employees of China are conditioned to liquidity events which are outside the Company's control. The liquidity events are not probable until consummated and employees of China cannot benefit from their share options. As such, no share-based compensation expense has been recognized for the employees of China's share options as of December 31, 2020 and 2021.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Income Taxes

Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the consolidated financial statement and tax bases of assets and liabilities at the applicable enacted tax rates. The Company will establish a valuation allowance for deferred tax assets if it is more likely than not that these items will expire before the Company is able to realize its benefits or that future deductibility is uncertain.

The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax position is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company recognizes interest and penalties related to income tax matters in its provision for income taxes. There were no uncertain income tax positions or unrecognized income tax benefits as of December 31, 2020 and 2021.

Net Loss Per Share Attributable to Ordinary Shareholders

Basic net loss per ordinary share is calculated by dividing the net loss attributable to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period, without consideration of potentially dilutive securities. Net loss attributable to ordinary shareholders is computed as net loss less accretion of redeemable convertible preferred shares and less any excess of the fair value of the consideration paid over the carrying value of noncontrolling interest. Diluted net loss per share is computed by dividing the net loss attributable to ordinary shareholders by the weighted-average number of ordinary shares and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, the redeemable convertible preferred shares, ordinary share warrants, unvested restricted ordinary shares subject to repurchase and share options are considered to be potentially dilutive securities. Basic and diluted net loss per share attributable to ordinary shareholders is presented in conformity with the two-class method required for participating securities as the redeemable convertible preferred shares are considered a participating security because they participate in dividends with ordinary shares. The holders of redeemable convertible preferred shares do not have a contractual obligation to share in the Company's losses. As such, the net loss was attributed entirely to ordinary shareholders. Because the Company has reported a net loss for all periods presented, diluted net loss per ordinary share is the same as basic net loss per ordinary share for those periods.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as a change in equity of a business enterprise during a period, resulting from transactions from non-owner sources. Other comprehensive loss represents unrealized gains or losses on short-term investments that are reported as a component of shareholders' deficit on the consolidated balance sheets.

JOBS Act Accounting Election

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with certain new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date the Company (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU No. 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible*

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06"). ASU 2020-06 simplifies accounting for convertible instruments by removing major separation models required under current GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. ASU 2020-06 removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for it. ASU 2020-06 also simplifies the diluted net income per share calculation in certain areas. This ASU is effective for the Company for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years, with early adoption permitted for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The Company early adopted this ASU effective January 1, 2021. The adoption of this ASU did not have a material effect on the Company's consolidated financial statements and related disclosures.

Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. This ASU replaces the existing incurred loss impairment model with an expected loss model. It also eliminates the concept of other-than-temporary impairment and requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. These changes will result in earlier recognition of credit losses. The amendments in this Update are effective for the Company for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact the adoption of this ASU will have on its consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740)—Simplifying the Accounting for Income Taxes*, which simplify various aspects related to the accounting for income taxes. This ASU removes exceptions to the general principles in Topic 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. For the Company, the amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the impact the adoption of this ASU will have on its consolidated financial statements and related disclosures.

3. Composition of Certain Consolidated Financial Statement Line Items

Property and equipment, net consists of the following (in thousands):

	DECEMBER 31,	
	2020	2021
Laboratory equipment	\$ —	\$1,015
Furniture and fixtures	19	90
Computer equipment	—	42
Leasehold improvements	—	110
	<u>\$ 19</u>	<u>\$1,257</u>
Less: Accumulated depreciation	—	(72)
Property and equipment, net	<u>\$ 19</u>	<u>\$1,185</u>

Depreciation expense for the years ended December 31, 2020 and 2021 was less than \$0.1 million and \$0.1 million, respectively.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Accrued expenses and other current liabilities consisted of the following (in thousands):

	DECEMBER 31,	
	2020	2021
Accrued compensation	\$ 819	\$ 1,943
Accrued research and development expenses	280	2,421
Income tax payable	138	231
Accrued other liabilities	128	230
Total accrued expenses and other current liabilities	\$ 1,365	\$ 4,825

4. Fair Value Measurements

The Company determines the fair value of financial and non-financial assets and liabilities using the fair value hierarchy which establishes three level of inputs that may be used to measure fair value, as follows:

Level 1—Observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs which reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following tables present information about the Company's financial assets measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

	DECEMBER 31,							
	2020				2021			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Money market funds	\$15,213	\$ —	\$ —	\$15,213	\$89,795	\$ —	\$ —	\$89,795
Cash equivalents	15,213	—	—	15,213	89,795	—	—	89,795
Corporate debt securities	—	21,093	—	21,093	—	2,002	—	2,002
Short-term investments	—	21,093	—	21,093	—	2,002	—	2,002
Total fair value of financial assets	<u>\$15,213</u>	<u>\$21,093</u>	<u>\$ —</u>	<u>\$36,306</u>	<u>\$89,795</u>	<u>\$ 2,002</u>	<u>\$ —</u>	<u>\$91,797</u>

	DECEMBER 31,							
	2020				2021			
	AMORTIZED COST	UNREALIZED LOSSES	UNREALIZED GAINS	FAIR VALUE	AMORTIZED COST	UNREALIZED LOSSES	UNREALIZED GAINS	FAIR VALUE
Money market funds	\$ 15,213	\$ —	\$ —	\$15,213	\$ 89,795	\$ —	\$ —	\$89,795
Cash equivalents	15,213	—	—	15,213	89,795	—	—	89,795
Corporate debt securities	21,094	(1)	—	21,093	2,002	—	—	2,002
Short-term investments	21,094	(1)	—	21,093	2,002	—	—	2,002
Total fair value of financial assets	<u>\$ 36,307</u>	<u>\$ (1)</u>	<u>\$ —</u>	<u>\$36,306</u>	<u>\$ 91,797</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$91,797</u>

As of December 31, 2020 and 2021, the Company did not have any liabilities measured at fair value on a recurring basis.

There were no transfers in and out of Level 3 during the years ended December 31, 2020 and 2021.

Money market funds are included within Level 1 of the fair value hierarchy because they are valued using quoted market prices. Corporate debt securities are classified within Level 2 of the fair value hierarchy as they take into consideration valuations obtained from third-party pricing services. The pricing services utilize industry standard valuation models, including both income-based and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate the fair value. These inputs include reported trades of and broker/dealer quotes on similar securities, issuer credit spreads, benchmark securities, prepayment/default projections based on historical data and other observable inputs.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Term Loan

On August 4, 2020, the Company entered into a Loan and Security Agreement (the "SVB Agreement") with Silicon Valley Bank ("SVB") to raise up to \$8.0 million in debt financing ("SVB Loan") consisting of \$5.0 million available to draw on or before July 31, 2021 ("Tranche A"), and the option to draw up to an additional \$3.0 million ("Tranche B") on or before January 31, 2022, which is conditioned to initiation of a Phase 1 clinical trial on or before July 31, 2021, and nomination of a development candidate for a second asset on or prior to January 31, 2022, both of which the Company accomplished in May 2021. The Tranche B draw period was extended to July 31, 2022, upon the receipt of net cash proceeds in an amount of at least \$50.0 million from the issuance and sale by the Company of its equity securities to investors and/or subordinated debt on or prior to January 31, 2022, which the Company accomplished in July 2021. The Company elected to allow the Tranche A financing to expire unused on July 31, 2021. To date, no amounts have been drawn under Tranche B.

The SVB Loan bears interest at a floating rate equal to the greater of (i) 0.25% below the Prime Rate and (ii) 3.0%. The SVB Loan is collateralized by substantially all of the Company's assets, including cash, cash equivalents and short-term investments, accounts receivable, intellectual property and equipment. Repayment terms will be interest only through July 31, 2022, and then principal and interest through June 30, 2024. The SVB Agreement includes customary restrictive covenants, financial covenants, events of default and other customary terms and conditions. As of December 31, 2021, the Company was in compliance with all the covenants contained in the SVB Agreement and no amounts had been drawn under the SVB Agreement.

In connection with the entering into the SVB Agreement, the Company issued SVB a warrant to purchase shares of its ordinary shares at an exercise price of \$0.48 per share ("SVB Warrant"). The SVB Warrant is immediately exercisable for 112,279 ordinary shares of the Company and could have been exercisable for an additional number of ordinary shares equal to 44,567 ordinary shares upon draw of Tranche A and 22,283 ordinary shares upon draw of Tranche B. The Tranche A shares expired on July 31, 2021, as the Company elected to allow the Tranche A financing to expire unused on July 31, 2021.

6. Commitments and Contingencies

Operating Leases

In January 2020, ShouTi Shanghai entered into a lease agreement to lease approximately 6,000 square feet of office space in Chamtime Plaza in Shanghai, China. The lease commenced on November 1, 2020, and was scheduled to expire on December 31, 2022. ShouTi Shanghai had an option to extend the lease term, however the renewal term and conditions were to be agreed to between ShouTi Shanghai and the landlord. For accounting purposes, the lease term was 26 months as it was not reasonably certain that the lease term would be extended. The total base lease payments over the lease term were \$0.3 million. In connection with entering into new lease agreement in Chamtime Plaza in June 2021, the lease agreement was terminated early on October 31, 2021.

In June 2021, ShouTi Shanghai entered into a lease agreement to lease approximately 5,900 square feet of office space in Chamtime Plaza in Shanghai, China. The lease commenced on September 16, 2021 and expires on September 15, 2023. ShouTi Shanghai has an option to extend the lease term, however the renewal term and conditions should be agreed between ShouTi Shanghai and the landlord. For accounting purposes, the lease term is 26 months as it is not reasonably certain that the lease term will be extended. The total base lease payments over the lease term are \$0.5 million.

In November 2021, StructureTx US entered into a lease agreement to lease approximately 4,050 square feet of office spaces in South San Francisco, California. The lease commenced on November 11, 2021, and expires on October 31, 2023. The total base lease payments over the lease term are \$0.3 million.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The maturities of operating lease liabilities as of December 31, 2021, were as follows (in thousands):

	DECEMBER 31, 2021
2022	\$ 384
2023	278
Total undiscounted lease payments	662
Less: imputed interest	41
Total operating lease liability	621
Less: current portion	349
Operating lease liability, net of current portion	<u>\$ 272</u>

Operating lease cost was \$0.2 million and \$0.5 million for the years ended December 31, 2020 and 2021, respectively, including \$0.1 million and \$0.2 million short-term lease costs for the years ended December 31, 2020 and 2021, respectively. As of December 31, 2021, the weighted average remaining lease term was 1.8 years, and the weighted average discount rate used to measure the lease liability for such operating leases upon recognition was 7.9%. During the years ended December 31, 2020 and 2021, cash paid for amounts included in operating lease liabilities of \$0.1 million and \$0.2 million, respectively, was included in cash flows from operating activities on the consolidated statements of cash flows.

Indemnification Agreements

In the ordinary course of business, the Company enters into agreements that may include indemnification provisions. Pursuant to such agreements, the Company may indemnify, hold harmless and defend an indemnified party for losses suffered or incurred by the indemnified party. Some of the provisions will limit losses to those arising from third-party actions. In some cases, the indemnification will continue after the termination of the agreement. The maximum potential number of future payments the Company could be required to make under these provisions is not determinable. The Company has never incurred material costs to defend lawsuits or settle claims related to these indemnification provisions. The Company has also entered into indemnification agreements with its directors and officers that require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers to the fullest extent permitted by the applicable law and the amended and restated memorandum and articles of association of the Company. The Company currently has directors' and officers' liability insurance. As of December 31, 2020 and 2021, the Company did not have any material indemnification claims that were probable or reasonably possible and consequently had not recorded related liabilities.

Legal Proceedings

The Company is subject to claims and assessments from time to time in the ordinary course of business but is not aware of any such matters, individually or in the aggregate, that will have a material adverse effect on the Company's financial position, results of operations or cash flows.

7. Redeemable Convertible Preferred Shares

Under the Company's Memorandum and Articles of Association, as amended, the Company's redeemable convertible preferred shares are issuable in series. The Company's board of directors is authorized to determine the rights, preferences, privileges and terms of each series.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Redeemable convertible preferred shares consisted of the following (in thousands, except share and per share amounts):

DECEMBER 31, 2020					
SERIES	SHARES AUTHORIZED	ORIGINAL ISSUE PRICE	SHARES ISSUED AND OUTSTANDING		LIQUIDATION VALUE
			CARRYING VALUE	CARRYING VALUE	
A	19,200,000	\$ 1.6667	19,200,000	\$ 32,001	\$ 32,001
A+	12,799,681	2.0313	12,799,681	26,000	26,000
	<u>31,999,681</u>		<u>31,999,681</u>	<u>\$ 58,001</u>	<u>\$ 58,001</u>

DECEMBER 31, 2021					
SERIES	SHARES AUTHORIZED	ORIGINAL ISSUE PRICE	SHARES ISSUED AND OUTSTANDING		LIQUIDATION VALUE
			CARRYING VALUE	CARRYING VALUE	
A	19,200,000	\$ 1.6667	19,200,000	\$ 32,001	\$ 32,001
A+	12,799,681	2.0313	12,799,681	26,000	26,000
B	24,701,732	4.0483	24,701,732	100,000	100,000
B-1	2,161,402	3.2386	2,161,402	8,959	7,000
	<u>58,862,815</u>		<u>58,862,815</u>	<u>\$ 166,960</u>	<u>\$ 165,001</u>

The original issuance price in the table above reflects the stated issuance price per the respective purchase agreements.

Series A Redeemable Convertible Preferred Shares

In April 2019, the Company entered into a Series A redeemable convertible preferred shares purchase agreement with certain investors to issue and sell 9,600,000 shares of its Series A redeemable convertible preferred shares at a price of \$1.6667 per share (the "Series A Purchase Price") for total gross proceeds of \$16.0 million. The issuance costs were \$0.3 million.

The purchase agreement also provided for the issuance and sale to investors of an additional 9,600,000 Series A redeemable convertible preferred shares at the Series A Purchase Price upon achieving certain operational milestones (the "Milestone Closing") around the selection of targeted programs and progress of certain candidate programs.

The issuance of Series A redeemable convertible preferred shares was recorded at the amount of proceeds received less issuance costs and the amounts allocated to the Milestone Closing liability ("redeemable convertible preferred shares tranche liability"). During the year ended December 31, 2019, the carrying value of the redeemable convertible preferred shares was adjusted to equal to its redemption value.

The Milestone Closing occurred on December 9, 2019, and the Company issued 9,600,000 Series A redeemable convertible preferred shares at \$1.6667 per share for gross proceeds of \$16.0 million. The redeemable convertible preferred shares tranche liability was settled upon the Milestone Closing.

Series A+ Redeemable Convertible Preferred Shares

In March 2020, the Company entered into a Series A+ redeemable convertible preferred shares purchase agreement with certain investors to issue and sell 12,799,681 shares of its Series A+ redeemable convertible preferred shares at a price of \$2.0313 per share (the "Series A+ Purchase Price") for total gross proceeds of \$26.0 million. The issuance costs were \$0.2 million.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The issuance of Series A+ redeemable convertible preferred shares was recorded at the amount of proceeds received less issuance costs. During the year ended December 31, 2020, the carrying value of the redeemable convertible preferred shares was adjusted to equal to its redemption value.

Series B Redeemable Convertible Preferred Shares

In July 2021, the Company entered into a Series B redeemable convertible preferred shares purchase agreement with certain investors to issue and sell 24,701,732 shares of its Series B redeemable convertible preferred shares at a price of \$4.0483 per share (the "Series B Purchase Price") for total gross proceeds of \$100.0 million. The issuance costs were \$3.6 million.

The issuance of Series B redeemable convertible preferred shares was recorded at the amount of proceeds received less issuance costs. During the year ended December 31, 2021, the carrying value of the redeemable convertible preferred shares was adjusted to equal to its redemption value.

In July 2021, the Company executed letter agreements with one of the investors and its affiliates granting them the right to purchase a certain number of the Company's ordinary shares equal to the product of (i) the total number of ordinary shares of the Company being sold in the Company's first firm committed underwritten public offering of the capital stock of the Company (the "IPO"), and (ii) aggregate percentage ownership of the capital stock of the Company of the investor and its affiliates (the "IPO Participation Right"). The ordinary shares offered to the investor and its affiliates shall be offered on the same terms and price at which such ordinary shares are being offered to the public pursuant to the Company's IPO. The purchase price of ordinary shares will be the fair value at the time of purchase as it will represent the fair value of the Company's ordinary shares at the time of the IPO. IPO Participation Right has no fair value as it represents a right, not obligation, to purchase additional securities at fair value.

In April 2022, the Company issued and sold an additional 8,155,272 shares of its Series B redeemable convertible preferred shares for gross proceeds of \$33.0 million, pari-passu with the other Series B shareholders.

Series B-1 Redeemable Convertible Preferred Shares

In December 2021, the Company entered into a share exchange agreement with other investors of Series Seed redeemable convertible preferred shares of Basecamp. The Company issued 2,161,402 Series B-1 redeemable convertible preferred shares to the other investors of Series Seed redeemable convertible preferred shares of Basecamp to acquire the 7,000,000 Series Seed redeemable convertible preferred shares of Basecamp held by the other investors. The issuance costs were \$0.1 million.

The issuance of Series B-1 redeemable convertible preferred shares was recorded at the fair value of the amount of Series B -1 redeemable convertible preferred shares. The fair value of Series B-1 redeemable convertible shares was determined by management with input from third-party valuation specialists. During the year ended December 31, 2021, the carrying value of the redeemable convertible preferred shares was adjusted to equal to its redemption value.

Rights, Preferences and Privileges

The rights, preferences and privileges of the Company's redeemable convertible preferred shares are as follows:

Voting Rights

Each share of redeemable convertible preferred share has the same voting rights as the number of shares of ordinary shares into which it is convertible and votes together with the holders of ordinary shares as a single class.

The holders of shares of Series B redeemable convertible preferred shares shall be entitled, voting separately as a single class, to elect two directors of the Company (the "Series B Directors"). The holders of Series A+ redeemable convertible preferred shares shall be entitled, voting separately as a single class, to elect two directors of the Company (the "Series A+ Directors"). The holders of Series A redeemable convertible preferred

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

shares shall be entitled, voting separately as a single class, to elect two directors of the Company (the "Series A Directors"). The holders of ordinary shares shall be entitled, voting separately as a single class, to elect two directors of the Company. The holders of ordinary shares and redeemable convertible preferred shares shall be entitled, voting together, to elect the remaining directors of the Company.

Dividends

Holders of outstanding redeemable convertible preferred shares are entitled on a *pari passu* basis, to participate ratably (on an as if converted to ordinary shares basis) in the payment of any dividends when, as and if declared by the board of directors on the ordinary shares. Dividends are noncumulative, and none were declared as of December 31, 2020 and 2021.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, or deemed liquidation event, either voluntary or involuntary ("Liquidation"), the holders of Series B-1 and Series B redeemable convertible preferred shares shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of Series A+ and Series A redeemable convertible preferred shares and ordinary shares, an amount equal to \$3.2386 per share and \$4.0483 per share, respectively, plus all declared but unpaid dividends.

If, upon the occurrence of the Liquidation, the assets and funds thus distributed among the holders of Series B-1 and Series B redeemable convertible preferred shares shall be insufficient to permit the payment to such holders of the full amounts, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of Series B-1 and Series B redeemable convertible preferred shares in proportion to the preferential amount each such holder is otherwise entitled to receive.

After the payment to the holders of Series B-1 and Series B redeemable convertible preferred shares of the full preferential amounts specified above, the holders of Series A+ and Series A redeemable convertible preferred shares shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of ordinary shares, an amount equal to \$2.0313 per share and \$1.6667 per share, respectively, plus all declared but unpaid dividends.

If, upon the occurrence of the Liquidation, the assets and funds thus distributed among the holders of Series A+ and Series A redeemable convertible preferred shares shall be insufficient to permit the payment to such holders of the full amounts, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of Series A+ and Series A redeemable convertible preferred shares in proportion to the preferential amount each such holder is otherwise entitled to receive.

After the payment to the holders of redeemable convertible preferred shares of the full preferential amounts specified above, the remaining assets of the Company available for distribution to shareholders shall be distributed among the holders of ordinary shares and redeemable convertible preferred shares pro rata based on the number of shares held by each such holder if all shares of each such series of redeemable convertible preferred shares were converted to ordinary shares until such time as the aggregate amount distributed to the holders of redeemable convertible preferred shares is equal to three times the applicable original issue price per redeemable convertible preferred shares then held by them.

After the payment to the holders of ordinary shares and redeemable convertible preferred shares of the full amounts specified above, all of the remaining assets of the Company available for distribution to shareholders shall be distributed among the holders of ordinary shares pro rata based on the number of shares of ordinary shares held by each such holder.

Conversion

Each share of redeemable convertible preferred share is convertible, at the option of the holder, into the number of fully-paid and non-assessable ordinary shares that result from dividing the applicable original issue

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

price per share by the applicable conversion price per share at the time of conversion. Redeemable convertible preferred shares are convertible into the Company's ordinary shares on a one-for-one basis.

Each redeemable convertible preferred share is convertible into ordinary shares automatically immediately upon the earlier of (i) the Company's consummation of an initial public offering of the ordinary shares on an internationally recognized stock exchange (which may include, without limitation, the Hong Kong Exchange, the New York Stock Exchange or the Nasdaq Stock Market, but which shall not include the National Equities Exchange and Quotations of China) at a public offering price per share price that implies a market capitalization of the Company immediately prior to the offering of not less than \$400.0 million, and having an aggregate offering amount of not less than \$60.0 million (a "Qualified IPO"), or (ii) the Company's receipt of a written request for such conversion from the holders of the majority of the then outstanding redeemable convertible preferred shares on an as-converted to ordinary shares basis.

Redemption

The redeemable convertible preferred shares are recorded within mezzanine equity because they will become redeemable at the option of the shareholders upon the occurrence of certain deemed liquidation events that are considered not solely within the Company's control on or after April 29, 2026. The Company made an accounting policy election to recognize changes in the redemption value of redeemable convertible preferred shares immediately as they occur and adjust the carrying value of redeemable convertible preferred shares to equal it to its redemption value at the end of each reporting period.

8. Basecamp Bio Inc.

In March 2021, Basecamp entered into a purchase agreement with certain investors to issue and sell 9,000,000 Series Seed redeemable convertible preferred shares of Basecamp at a price of \$1.00 per share for total gross proceeds of \$9.0 million. Of the 9,000,000 Series Seed redeemable convertible preferred shares, 2,000,000 shares were issued to the Company and the remaining 7,000,000 shares were issued to other existing investors of the Company. Concurrent with this financing, the Company and Basecamp entered into the License and Collaboration Agreement (the "License Agreement") in which the Company granted Basecamp a license to use its proprietary structural biology technology platform to conduct a research program to discover, research and develop novel compounds for certain selected GPCR (G protein coupled receptor) targets and the Company received 14,000,000 ordinary shares of Basecamp in exchange. The Company shall make payments to Basecamp to fund the research program specified in the License Agreement, milestone payments if and when the certain milestones are achieved by Basecamp, and royalties related to net sales. The Company and Basecamp also executed a Services Agreement under which the Company provides research and development services, business development services, management and administrative services, operational services, intellectual property services to Basecamp in consideration for fees.

Basecamp was considered a variable interest entity and the Company consolidated Basecamp as it was considered the primary beneficiary. The Series Seed redeemable convertible preferred shares of Basecamp held by other investors were classified as redeemable noncontrolling interest in temporary equity because while it was not mandatorily redeemable, in the deemed liquidation event the redeemable convertible preferred shares might become redeemable at the option of the holders of at least a majority of the then outstanding shares after March 22, 2028. Losses of Basecamp were not attributed to the redeemable noncontrolling interest as the holders of Series Seed redeemable convertible preferred shares do not have a contractual obligation to share in Basecamp's losses due to their liquidation preference right.

In December 2021, the Company acquired the 7,000,000 Series Seed redeemable convertible preferred shares of Basecamp held by the other investors in exchange for 2,161,402 Series B-1 redeemable convertible preferred shares of the Company with Basecamp becoming a wholly owned subsidiary of the Company. As the share exchange did not result in a change of control, the transaction was accounted as an equity transaction. Series B-1 redeemable convertible preferred shares were accounted for at fair value of \$9.0 million, and \$2.0 million representing the excess of the fair value over the carrying amount of noncontrolling interest on the date of share exchange of \$7.0 million was recorded in additional paid-in capital and accumulated deficit.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. Ordinary Share Warrants

In connection with the entering into the SVB Agreement on August 4, 2020, the Company issued SVB a warrant to purchase shares of the Company's ordinary shares which were recorded at fair value within additional paid-in capital in shareholders' deficit. The SVB Warrant had a fair value of \$0.1 million as of the issuance date and was recorded as a deferred asset within other non-current assets on the consolidated balance sheets that will be amortized to interest and other income (expense), net, on a straight-line basis until Tranche A and Tranche B availability end date. Upon each draw of the term loan, the Company will derecognize the proportionate unamortized amount of the deferred asset and account for it as a debt discount to the drawn term loan. The debt discount will be presented in the consolidated balance sheets as a direct adjustment to the carrying value of the term loan. The debt discount will be amortized using the effective interest rate method over the term of the drawn term loan as interest and other income (expense), net. The SVB Warrant is equity classified as it is indexed to the Company's own shares and meets all other conditions for equity classification. The SVB Warrant is not subsequently remeasured and is immediately exercisable for 112,279 ordinary shares of the Company. In addition, the SVB Warrant could have been exercisable for an additional number of ordinary shares equal to 44,567 ordinary shares upon draw of Tranche A and 22,283 ordinary shares upon draw of Tranche B. The Tranche A shares expired on July 31, 2021, as the Company elected to allow the Tranche A financing to expire unused on July 31, 2021. The SVB Warrant has an exercise price of \$0.48 per share and expires in ten years. The shares related to Tranche A and B are not issued legally but considered outstanding for the accounting purposes upon execution of the SVB Agreement. The SVB Warrant was valued using the following assumptions under the Black-Scholes option pricing model:

	AUGUST 4, 2020 (ISSUANCE DATE)
Share price	\$ 0.48
Expected term (years)	10.00
Expected volatility	83.3%
Risk-free interest rate	0.52%
Dividend yield	0%

10. Ordinary Shares

The Company's Memorandum and Articles of Association, as amended, authorizes the Company to issue 441,137,185 ordinary shares with a par value of \$0.0001 per share, as of December 31, 2021.

Ordinary shareholders are entitled to dividends if and when declared by the Company's board of directors subject to the prior rights of the preferred shareholders. As of December 31, 2020 and 2021, no dividends on ordinary shares had been declared by the board of directors.

The Company has the following ordinary shares reserved for future issuance (in thousands):

	DECEMBER 31,	
	2020	2021
Conversion of redeemable convertible preferred shares	32,000	58,863
Share options available for future grant	1,961	4,026
Share options issued and outstanding	1,524	4,646
Ordinary share warrants	179	135
Total ordinary shares reserved	<u>35,664</u>	<u>67,670</u>

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

11. Shareholders' Equity

In April 2019, the Company adopted the 2019 Equity Incentive Plan ("2019 Plan"), under which its board of directors can issue share options. As of December 31, 2021, there were 8,916,263 shares authorized and reserved for issuance under the 2019 Plan.

Awards granted under the 2019 Plan may be either incentive share options ("ISOs"), nonstatutory share options ("NSOs"), share appreciation rights ("SARs"), or restricted share units ("RSUs"). ISOs may be granted only to Company employees (including officers and directors who are also employees). NSOs may be granted to Company employees and consultants. The Company's board of directors has the authority to determine to whom options will be granted, the number of shares, the term, and the exercise price. The exercise price of ISOs and NSOs shall not be less than 100% of the estimated fair value of the shares on the date of grant. The exercise price of ISOs granted to an employee who, at the time of grant, owns shares representing more than 10% ("10% shareholder") of the voting power of all classes of shares of the Company shall be no less than 110% of the estimated fair value of the shares on the date of grant. The options usually have a term of 10 years (or no more than five years if granted to a 10% shareholder). Vesting conditions determined by the plan administrator may apply to share options and may include continued service, performance and/or other conditions. Generally, options and restricted share awards vest over a four-year period.

Options

A summary of share option activity is set forth below (in thousands except per share amounts and years):

	OUTSTANDING AWARDS				
	NUMBER OF SHARES AVAILABLE FOR GRANT	NUMBER OF SHARES UNDERLYING OUTSTANDING OPTIONS	WEIGHTED- AVERAGE EXERCISE PRICE	WEIGHTED- AVERAGE REMAINING CONTRACTUAL TERM (IN YEARS)	AGGREGATE INTRINSIC VALUE
As of December 31, 2019	1,134	801	\$ 0.34	9.69	\$ 40
Additional authorized	1,550	—			
Granted	(723)	723	0.42		
As of December 31, 2020	1,961	1,524	0.38	8.93	157
Additional authorized	5,216	—			
Granted	(3,357)	3,357	1.00		
Exercised	—	(29)	0.39		
Forfeited	206	(206)	0.38		
As of December 31, 2021	4,026	4,646	0.83	8.96	7,911
Exercisable at December 31, 2021		1,042	0.42	7.74	2,201
Vested and expected to vest at December 31, 2021		4,646	0.83	8.96	7,911

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying share options and the fair value of the Company's ordinary shares for share options that were in-the-money at the end of each period. The aggregate intrinsic value of options exercised for the year ended December 31, 2021 was less than \$0.1 million. There were no option exercises during the year ended December 31, 2020.

The total fair value of options that vested during the years ended December 31, 2020 and 2021 was \$0.1 million and \$0.3 million, respectively.

Restricted Shares

On April 29, 2019, 5,891,064 shares of the Company's ordinary shares which were previously issued to its founders were converted to restricted ordinary shares with a vesting term of four years with 25% of the shares vesting after one year from the vesting commencement date of April 29, 2019 and the remainder ratably on

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

a monthly basis over the following three years, provided that the shareholder continues to provide services to the Company as of the date of such vesting. The transaction was accounted for as a grant of restricted shares with weighted-average per share grant-date fair value of \$0.33 per share with the total compensation cost of \$1.9 million, which will be recognized over the four years of requisite service period.

Activity with respect to restricted shares was as follows (in thousands, except per share amounts):

	NUMBER OF SHARES UNDERLYING OUTSTANDING RESTRICTED SHARES	WEIGHTED-AVERAGE GRANT DATE FAIR VALUE
Unvested, December 31, 2019	5,891	\$ 0.33
Vested	(2,455)	0.33
Unvested, December 31, 2020	3,436	0.33
Vested	(1,473)	0.33
Cancelled	(450)	0.33
Unvested, December 31, 2021	<u>1,513</u>	0.33

Share-Based Compensation Associated with Awards to Employees and Non-Employees

The Company recognized share-based compensation as follows (in thousands):

	YEAR ENDED DECEMBER 31,	
	2020	2021
Research and development	\$ 355	\$ 946
General and administrative	215	541
Total share-based compensation	<u>\$ 570</u>	<u>\$ 1,487</u>

As of December 31, 2021, the total unrecognized share-based compensation expense related to unvested share options was \$3.3 million, which is expected to be recognized over the remaining weighted-average vesting period of 3.3 years.

As of December 31, 2021, the total unrecognized compensation expense related to unvested restricted shares was \$0.4 million, which is expected to be recognized over the remaining weighted-average vesting period of 1.3 years.

The fair value of restricted shares vested during the years ended December 31, 2020 and 2021 was \$0.8 million and \$0.5 million, respectively.

The Company estimated the fair value of share options using the Black Scholes option-pricing model. The fair value of share options is being amortized on a straight-line basis over the requisite service period of the awards. The options granted during the years ended December 31, 2020 and 2021 had a weighted-average per share grant-date fair value of \$0.29 and \$1.07 per share, respectively, which was estimated using the following weighted-average assumptions:

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	YEAR ENDED DECEMBER 31,	
	2020	2021
Expected term (in years)	5.9	5.9
Expected volatility	81.1%	85.2%
Risk-free interest rate	1.2%	0.9%
Expected dividend yield	0.0%	0.0%

The assumptions are as follows:

- *Expected term.* The expected term represents the period that the share-based awards are expected to be outstanding. The expected term is calculated using the simplified method which is used when there is insufficient historical data about exercise patterns and post-vesting employment termination behavior. The simplified method is based on the vesting period and the contractual term for each grant, or for each vesting-tranche for awards with graded vesting. The mid-point between the vesting date and the maximum contractual expiration date is used as the expected term under this method. For awards with multiple vesting-tranches, the times from grant until the mid-points for each of the tranches may be averaged to provide an overall expected term.
- *Expected volatility.* The Company estimated the volatility data based on a study of publicly traded industry peer companies as it did not have any trading history for its ordinary shares. For purposes of identifying these peer companies, the Company considered the industry, stage of development, size and financial leverage of potential comparable companies. For each grant, the Company measured historical volatility over a period equivalent to the expected term. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own share price becomes available.
- *Risk-free interest rate.* The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero-coupon U.S. Treasury notes with remaining terms similar to the expected term of the options.
- *Expected Dividend yield.* The expected dividend is assumed to be zero as the Company has never paid dividends and has no current plans to.

In addition to the assumptions used in the Black-Scholes option-pricing model, the Company recognizes the actual forfeitures by reducing the employee share-based compensation expense in the same period the forfeiture occurs.

Share Option Modification

In November 2021, the Company entered into a separation and consulting agreement in connection with the resignation of a Company founder and executive. The terms of the agreement resulted in compensation expense for unvested awards expected to vest during the consultancy of \$0.5 million was recognized immediately during the year ended December 31, 2021 as no substantive future service was required.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

12. Income Taxes

The following table presents loss before income tax expense (in thousands):

	YEAR ENDED DECEMBER 31,	
	2020	2021
Loss before income expense:		
Domestic loss	\$(16,831)	\$(35,051)
Foreign income (loss)	1,093	(2,767)
Loss before income tax expense	<u>\$ (15,738)</u>	<u>\$ (37,818)</u>

The following table presents the current and deferred income tax provision for income taxes (in thousands):

	YEAR ENDED DECEMBER 31,	
	2020	2021
Current tax provision (benefit):		
Federal	\$ —	\$ —
State	—	—
Foreign	138	219
	<u>138</u>	<u>219</u>
Deferred tax provision (benefit):		
Federal	—	—
State	—	—
Foreign	—	—
	<u>—</u>	<u>—</u>
Total provision (benefit) for income taxes:	<u>\$ 138</u>	<u>\$ 219</u>

The Company is domiciled in the Cayman Islands. A reconciliation of the expected tax computed at the zero tax rate for the Cayman Islands to the total provision for income taxes was as follows:

	DECEMBER 31,	
	2020	2021
Expected tax at 0%	—%	—%
State income tax, net of federal tax	7.4	4.9
Share-based compensation	—	(0.3)
Non-deductible expenses	(0.2)	(0.2)
U.S. income tax differential	22.3	19.5
Other foreign income tax differential	(0.9)	2.2
Research credits	0.2	0.9
Other	—	(0.2)
Change in valuation allowance	(29.7)	(27.3)
Effective tax rate	<u>(0.9)%</u>	<u>(0.5)%</u>

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Deferred income taxes as of each of the following periods reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's net deferred tax asset or liability were as follows (in thousands):

	DECEMBER 31,	
	2020	2021
Net operating loss	\$ 5,805	\$ 14,501
Compensation	239	779
Operating lease liability	—	146
Related party accrued expenses	752	1,128
Other	9	66
Research credits	44	320
Total deferred tax assets	6,849	16,940
Valuation allowance	(6,849)	(16,797)
Net deferred tax assets	—	143
Right-of-use assets	—	(143)
Total deferred tax liabilities	—	(143)
Net deferred tax assets	\$ —	\$ —

Realization of the Company's deferred tax assets is dependent upon the Company generating sufficient taxable income in future years to obtain benefit from the reversal of temporary differences.

Management considered all available evidence under existing tax law and anticipated expiration of tax statutes and determined that a valuation allowance of \$6.8 million and \$16.8 million was required as of December 31, 2020 and 2021, respectively for those deferred tax assets that are not expected to provide future tax benefits.

As of December 31, 2021, the Company had available net operating loss carryforwards of \$51.5 million for federal income tax purposes, all of which were generated after 2017. The federal net operating loss carryforwards are not subject to expiration.

As of December 31, 2021, the net operating losses for state purposes was \$43.4 million and will begin to expire in 2037 if not utilized.

As of December 31, 2021, the Company has federal and state income tax credit carryforwards, net of reserves, of \$0.3 million and \$0.1 million, respectively. The federal credit carryovers begin to expire in 2029 and the state credit carryovers do not expire.

The Company has not completed a study to determine whether any ownership change per the provisions of Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), as well as similar state provisions, has occurred. Utilization of the Company's net operating loss and income tax credit carryforwards may be subject to a substantial annual limitation due to ownership changes that may have occurred or that could occur in the future. These ownership changes may limit the amount of the net operating loss and income tax credit carryover that can be utilized annually to offset future taxable income. In general, an "ownership change" as defined by Section 382 of the Code results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50% of the outstanding ordinary shares of a company by certain shareholders.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Uncertain Tax Positions

In accordance with authoritative guidance, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.

The following table reconciles the change in unrecognized tax benefits for the years as follows (in thousands):

	DECEMBER 31,	
	2020	2021
Beginning of year	\$ —	\$ —
Additions for tax positions related to:		
Current year	—	96
Prior years	—	11
End of year	<u>\$ —</u>	<u>\$ 107</u>

The total unrecognized tax benefits do not impact the Company's effective tax rate. The Company does not anticipate that there will be a substantial change in unrecognized tax benefits within the next twelve months.

The Company recognizes interest and penalties related to unrecognized tax positions within the income tax expense line in the accompanying consolidated statements of operations and comprehensive loss. There were no accrued interest and penalties associated with uncertain tax positions as of December 31, 2020 and 2021.

The Company and its subsidiaries are subject to U.S. federal, state and foreign income tax, and in the normal course of business, its income tax returns are subject to examination by the relevant taxing authorities. As of December 31, 2021, the 2017 to 2021 tax years remained subject to examination in the U.S. federal tax and various state tax jurisdictions. The Company is not currently under examination by federal, state, or foreign jurisdictions.

Indefinite Reinvestment of Foreign Earnings

The Company considers the earnings of certain subsidiaries to be indefinitely invested outside the Cayman Islands on the basis of estimates that future domestic cash generation will be sufficient to meet future domestic cash needs and the specific plans for reinvestment of those subsidiary earnings. The Company has not recorded a deferred tax liability related to the income taxes and foreign withholding taxes on indefinitely reinvested undistributed earnings of foreign subsidiaries. If the Company decides to repatriate the foreign earnings, it would need to adjust the income tax provision in the period it was determined that the earnings would no longer be indefinitely invested outside the Cayman Islands. The Company's subsidiaries in the United States do not have undistributed earnings to distribute. A subsidiary in China has \$1.2 million of undistributed earnings which would be subject to a 10% withholding tax if distributed.

13. Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share attributable to ordinary shareholders, which excludes unvested restricted shares and shares which are legally outstanding, but subject to repurchase by the Company (in thousands, except share and per share amounts):

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	YEAR ENDED DECEMBER 31,	
	2020	2021
Numerator:		
Net loss attributable to ordinary shareholders	\$ (15,876)	\$ (38,049)
Accretion of redeemable convertible preferred shares to their redemption value	(163)	(3,757)
Excess of the fair value of the consideration paid over the carrying value of NCI	—	(1,959)
Net loss attributable to ordinary shareholders	<u>\$ (16,039)</u>	<u>\$ (43,765)</u>
Denominator:		
Weighted-average ordinary shares outstanding	10,865	10,889
Less: weighted-average unvested restricted ordinary shares subject to repurchase	(4,603)	(2,748)
Weighted-average ordinary shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	<u>6,262</u>	<u>8,141</u>
Net loss per share attributable to ordinary shareholders, basic and diluted	<u>\$ (2.56)</u>	<u>\$ (5.38)</u>

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to ordinary shareholders for the periods presented because including them would have been antidilutive (in thousands):

	YEAR ENDED DECEMBER 31,	
	2020	2021
Redeemable convertible preferred shares	32,000	58,863
Options to purchase ordinary shares	1,524	4,646
Ordinary share warrants	179	135
Unvested restricted ordinary share awards	3,436	1,513
Total	<u>37,139</u>	<u>65,157</u>

14. Defined Contribution Plan

The Company maintains a defined contribution plan under Section 401(k) of the Code covering substantially all full-time U.S. employees. Employee contributions are voluntary and are determined on an individual basis subject to the maximum allowable under federal tax regulations. The Company does not make contributions to the 401(k) plan.

15. Related Party Transactions

Ramy Farid, the President and Chief Executive Officer of Schrödinger, Inc. ("Schrödinger") is a member of the Company's board of directors. During the years ended December 31, 2020 and 2021, the Company had existing collaboration agreements to use the results provided by Schrödinger's software platform for its research purposes. During the years ended December 31, 2020 and 2021, the Company paid \$0.3 million and \$0.7 million to Schrödinger, respectively, and had none and less than \$0.1 million payable balance to Schrödinger as of December 31, 2020 and 2021, respectively.

As discussed in Note 8 during the year ended December 31, 2021, existing Company shareholders acquired a redeemable noncontrolling interest in Basecamp and ultimately exchanged that interest for Series B-1 redeemable convertible preferred shares of the Company.

STRUCTURE THERAPEUTICS INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

16. Subsequent Events

The Company has evaluated subsequent events through May 12, 2022, the date the consolidated financial statements were available to be issued.

Since January 1, 2022, the Company has granted options to purchase a total of 3,610,872 ordinary shares at a weighted average exercise price of \$2.61 per share.

STRUCTURE THERAPEUTICS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	DECEMBER 31, SEPTEMBER 30,	
	2021	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 105,305	\$ 28,092
Short-term investments	2,002	74,659
Prepaid expenses and other current assets	1,943	2,016
Total current assets	109,250	104,767
Property and equipment, net	1,185	1,032
Operating right-of-use assets	609	338
Other non-current assets	111	2,269
Total assets	<u>\$ 111,155</u>	<u>\$ 108,406</u>
Liabilities, redeemable convertible preferred shares and shareholders' deficit		
Current liabilities:		
Accounts payable	\$ 3,484	\$ 5,703
Accrued expenses and other current liabilities	4,825	6,196
Operating lease liabilities, current portion	349	330
Total current liabilities	8,658	12,229
Other non-current liabilities	272	115
Total liabilities	8,930	12,344
Commitments and contingencies (Note 6)		
Series A redeemable convertible preferred shares—\$0.0001 par value, 19,200 shares authorized, issued and outstanding as of December 31, 2021 and September 30, 2022 (liquidation preference of \$32,001 as of December 31, 2021 and September 30, 2022)		
	32,001	32,001
Series A+ redeemable convertible preferred shares—\$0.0001 par value, 12,800 shares authorized, issued and outstanding as of December 31, 2021 and September 30, 2022 (liquidation preference of \$26,000 as of December 31, 2021 and September 30, 2022)		
	26,000	26,000
Series B redeemable convertible preferred stock—\$0.0001 par value, 24,702 and 32,857 shares authorized, issued and outstanding as of December 31, 2021 and September 30, 2022, respectively, (liquidation preference of \$100,000 and \$133,015 as of December 31, 2021 and September 30, 2022, respectively)		
	100,000	133,015
Series B-1 redeemable convertible preferred stock—\$0.0001 par value, 2,161 shares authorized, issued and outstanding as of December 31, 2021 and September 30, 2022 (liquidation preference of \$7,000 as of December 31, 2021 and September 30, 2022)		
	8,959	8,959
Shareholders' deficit:		
Ordinary shares—\$0.0001 par value; 441,137 and 432,982 shares authorized as of December 31, 2021 and September 30, 2022, respectively; 10,894 and 10,527 shares issued and outstanding as of December 31, 2021 and September 30, 2022, respectively		
	1	1
Additional paid-in capital	—	1,298
Accumulated other comprehensive loss	—	(135)
Accumulated deficit	(64,736)	(105,077)
Total shareholders' deficit	<u>(64,735)</u>	<u>(103,913)</u>
Total liabilities, redeemable convertible preferred shares and shareholders' deficit	<u>\$ 111,155</u>	<u>\$ 108,406</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

STRUCTURE THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE
LOSS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	NINE MONTHS ENDED	
	SEPTEMBER 30,	
	2021	2022
Operating expenses:		
Research and development	\$ 19,204	\$ 27,833
General and administrative	5,218	11,772
Total operating expenses	24,422	39,605
Loss from operations	(24,422)	(39,605)
Interest and other income (expense), net	(121)	356
Loss before income taxes	(24,543)	(39,249)
Provision for income taxes	150	197
Net loss	(24,693)	(39,446)
Less: Accretion of redeemable convertible preferred shares to their redemption value	(3,642)	(1,515)
Net loss attributable to ordinary shareholders	\$ (28,335)	\$ (40,961)
Net loss per share attributable to ordinary shareholders, basic and diluted	\$ (3.56)	\$ (4.34)
Weighted-average ordinary shares used in computing net loss per share		
attributable to ordinary shareholders, basic and diluted	7,955	9,428
Other comprehensive loss:		
Unrealized gain (loss) on investments, net	1	(135)
Total other comprehensive (loss) gain	1	(135)
Comprehensive loss	\$ (24,692)	\$ (39,581)

The accompanying notes are an integral part of these condensed consolidated financial statements.

STRUCTURE THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED SHARES, REDEEMABLE
NONCONTROLLING INTEREST AND SHAREHOLDERS' DEFICIT
(IN THOUSANDS)
(UNAUDITED)

	REDEEMABLE CONVERTIBLE PREFERRED SHARES								REDEEMABLE NONCONTROLLING INTEREST	ORDINARY SHARES SHARES AMOUNT	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE LOSS	ACCUMULATED DEFICIT	SHA	
	SERIES A		SERIES A+		SERIES B		SERIES B-1								
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT							
Balance at December 31, 2021	19,200	\$ 32,001	12,800	\$ 26,000	24,702	\$ 100,000	2,161	\$ 8,959	\$ —	10,894	\$ 1	\$ —	\$ —	\$ (64,736)	\$
Issuance of Series B redeemable convertible preferred shares, net of issuance costs of \$1,515	—	—	—	—	8,155	31,500	—	—	—	—	—	—	—	—	—
Accretion of Series B redeemable convertible preferred shares to their redemption value	—	—	—	—	—	1,515	—	—	—	—	—	(620)	—	(895)	—
Repurchase of unvested restricted share awards	—	—	—	—	—	—	—	—	—	(450)	—	(6)	—	—	—
Issuance of ordinary share upon exercise of vested share options	—	—	—	—	—	—	—	—	—	83	—	33	—	—	—
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—	1,891	—	—	—	—
Unrealized loss on investments, net	—	—	—	—	—	—	—	—	—	—	—	—	(135)	—	—
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(39,446)
Balance at September 30, 2022	<u>19,200</u>	<u>\$ 32,001</u>	<u>12,800</u>	<u>\$ 26,000</u>	<u>32,857</u>	<u>\$ 133,015</u>	<u>2,161</u>	<u>\$ 8,959</u>	<u>\$ —</u>	<u>10,527</u>	<u>\$ 1</u>	<u>\$ 1,298</u>	<u>\$ (135)</u>	<u>\$ (105,077)</u>	<u>\$</u>

	REDEEMABLE CONVERTIBLE PREFERRED SHARES								REDEEMABLE NONCONTROLLING INTEREST	ORDINARY SHARES SHARES AMOUNT	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE LOSS	ACCUMULATED DEFICIT	SHA	
	SERIES A		SERIES A+		SERIES B		SERIES B-1								
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT							
Balance at December 31, 2020	19,200	\$ 32,001	12,800	\$ 26,000	—	\$ —	—	\$ —	\$ —	10,865	\$ 1	\$ 477	\$ (1)	\$ (22,946)	\$
Issuance of Series Seed redeemable convertible preferred shares of Basecamp to noncontrolling interest holders, net of issuance costs of \$91	—	—	—	—	—	—	—	—	6,909	—	—	—	—	—	—
Accretion of Series Seed redeemable convertible preferred shares to their redemption value	—	—	—	—	—	—	—	—	91	—	—	—	—	(91)	—
Issuance of Series B redeemable convertible preferred shares, net of issuance costs of \$3,551	—	—	—	—	24,702	96,449	—	—	—	—	—	—	—	—	—
Accretion of Series B redeemable convertible preferred shares to their redemption value	—	—	—	—	—	3,551	—	—	—	—	—	(1,038)	—	(2,513)	—
Issuance of ordinary share upon exercise of vested share options	—	—	—	—	—	—	—	—	—	29	—	11	—	—	—
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—	550	—	—	—	—
Unrealized gain on investments, net	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(24,693)
Balance at September 30, 2021	<u>19,200</u>	<u>\$ 32,001</u>	<u>12,800</u>	<u>\$ 26,000</u>	<u>24,702</u>	<u>\$ 100,000</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 7,000</u>	<u>10,894</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (50,243)</u>	<u>\$</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

STRUCTURE THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	NINE MONTHS ENDED	
	SEPTEMBER 30,	
	2021	2022
Cash flows from operating activities		
Net loss	\$ (24,693)	\$ (39,446)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	550	1,891
Depreciation	6	205
Non-cash lease expense	129	271
Amortization (accretion) of net investment premium (discount)	23	(427)
Amortization of debt discount and issuance costs	47	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(917)	(73)
Accounts payable	811	2,277
Accrued expenses and other liabilities	2,784	1,485
Operating lease liabilities	(141)	(277)
Net cash used in operating activities	<u>(21,401)</u>	<u>(34,094)</u>
Cash flows from investing activities		
Purchases of short-term investments	(4,212)	(114,265)
Maturities of short-term investments	22,077	41,900
Purchases of property and equipment	(1,086)	(84)
Net cash provided by (used in) investing activities	<u>16,779</u>	<u>(72,449)</u>
Cash flows from financing activities		
Proceeds from issuance of Series B redeemable convertible preferred shares, net of issuance costs	96,449	31,500
Proceeds from issuance of Series Seed redeemable convertible preferred shares of Basecamp to noncontrolling interest holders	6,909	—
Payments of deferred offering costs	—	(2,197)
Repurchases of unvested restricted share awards	—	(6)
Proceeds from exercise of share options	11	33
Net cash provided by financing activities	<u>103,369</u>	<u>29,330</u>
Net change in cash and cash equivalents	<u>98,747</u>	<u>(77,213)</u>
Cash and cash equivalents		
Beginning of the period	16,352	105,305
End of the period	<u>\$ 115,099</u>	<u>\$ 28,092</u>
Supplemental disclosures of noncash investing and financing activities		
Accretion of redeemable convertible preferred shares to their redemption value	<u>\$ 3,642</u>	<u>\$ 1,515</u>
Purchases of property and equipment in accounts payable and accrued expenses and other current liabilities	<u>\$ 88</u>	<u>\$ —</u>
Operating lease right-of-use assets obtained in exchange for new lease liabilities	<u>\$ 423</u>	<u>\$ —</u>
Deferred offering costs included in accounts payable and accrued expenses and other current liabilities	<u>\$ —</u>	<u>\$ 36</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

STRUCTURE THERAPEUTICS INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS

1. Organization and Nature of the Business

Structure Therapeutics Inc. (the "Company") is a clinical stage global biopharmaceutical company aiming to develop and deliver novel oral therapeutics to treat a wide range of chronic diseases with unmet medical needs. The Company was incorporated in February 2019 in the Cayman Islands, with operating subsidiaries in the United States and China. Prior to the formation of the Company, the operating activities were carried out by the subsidiaries of the Company. In June 2022, the Company changed its name from ShouTi Inc. to Structure Therapeutics Inc.

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries.

Liquidity and Capital Resources

The Company has incurred significant operating losses and negative cash flows from operations since inception and had an accumulated deficit of \$105.1 million as of September 30, 2022. The Company has historically financed its operations through the private placement of equity securities. To date, the Company has no product candidates approved for sale and therefore the Company has not generated any revenue from its product candidates. The Company also has not generated any revenue from collaboration or other agreements. Management expects operating losses and negative cash flows to continue for the foreseeable future, until such time, if ever, that it can generate significant revenues from its product candidates currently in development or through collaboration or other agreements. The Company's prospects are subject to risks and uncertainties frequently encountered by companies in the biotechnology industry as discussed in Note 2.

While the Company has been able to raise multiple rounds of financing, there can be no assurance that additional financing will be available on terms which are favorable or at all. Failure to generate cash flows from operations, raise additional capital or reduce certain discretionary spending would have a material adverse effect on the Company's ability to achieve its intended business objectives.

As of September 30, 2022, the Company had cash, cash equivalents and short-term investments of \$102.8 million. Based on its current business plan, the Company believes that its current cash, cash equivalents and short-term investments will be sufficient to fund its projected operations for at least 12 months from the date of issuance of these unaudited interim condensed consolidated financial statements.

Impact of the COVID-19 Pandemic

The current COVID-19 (coronavirus) pandemic, which is impacting worldwide economic activity, poses risks that the Company or its employees, contractors, suppliers and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. Although the impact of COVID-19 has not been material to the Company and its operations, the extent to which the COVID-19 pandemic will impact the Company's business will depend on future developments that are highly uncertain and cannot be predicted at this time.

2. Summary of Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements and related disclosures have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The functional and reporting currency of the Company and its subsidiaries is the U.S. dollar. The aggregate foreign currency transaction loss included in determining net loss was not material for the periods presented.

Unaudited Interim Financial Information

The condensed consolidated balance sheet as of December 31, 2021 was derived from the Company's audited consolidated financial statements, but does not include all disclosures required by GAAP. The

STRUCTURE THERAPEUTICS INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

accompanying unaudited interim condensed consolidated financial statements as of September 30, 2022 and for the nine months ended September 30, 2021 and 2022, have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"), for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented not misleading. Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2021 and notes thereto included elsewhere in this prospectus. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of the Company's condensed consolidated financial position as of September 30, 2022 and condensed consolidated results of operations, condensed consolidated statements of redeemable convertible preferred shares, redeemable noncontrolling interest and shareholders' deficit and condensed consolidated cash flows for the nine months ended September 30, 2021 and 2022 have been made. The results of operations for the nine months ended September 30, 2022 are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2022.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of expenses during the reporting periods. Such estimates include lease liability, accruals for research and development activities, Series B-1 redeemable convertible preferred shares valuation, ordinary share valuation and related share-based compensation and certain other accrued liabilities. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company is exposed to credit risk from its deposits of cash, cash equivalents and short-term investments in excess of the amount of insurance provided on such deposits. The Company invests its cash, cash equivalents and short-term investments in money market funds, corporate debt securities, U.S. government bonds and U.S. government agency bonds. The Company limits its credit risk associated with cash, cash equivalents and short-term investments by placing them with banks and institutions it believes are highly creditworthy and in highly rated investments. The Company has not experienced any losses on its deposits of cash, cash equivalents and short-term investments to date. The Company has no off-balance sheet concentrations of credit risk, such as foreign currency exchange contracts, option contracts or other hedging arrangements.

Risks and Uncertainties

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, protection of proprietary technology, dependence on key personnel, compliance with government regulations and the need to obtain additional financing to fund operations. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical studies, clinical trials and regulatory approval prior to commercialization. These efforts require significant amounts of additional resources, adequate personnel, infrastructure and extensive compliance and reporting.

The Company's product candidates are still in development and, to date, none of the Company's product candidates have been approved for sale and, therefore, the Company has not generated any revenue from any of its products. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be obtained or maintained, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. Even if the Company's product development efforts are successful, it is uncertain

STRUCTURE THERAPEUTICS INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

when, if ever, the Company will generate any revenue from any of its products. The Company operates in an environment of rapid change in technology and substantial competition from other pharmaceutical and biotechnology companies.

The Company relies and expects to continue to rely on a small number of vendors to manufacture supplies and materials for its use in the clinical trial programs. These programs could be adversely affected by a significant interruption in these manufacturing services.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board ("FASB") issued Account Standards Update ("ASU") No. 2019-12, *Income Taxes (Topic 740)—Simplifying the Accounting for Income Taxes*, which simplify various aspects related to the accounting for income taxes. This ASU removes exceptions to the general principles in Topic 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. For the Company, the amendments are effective for fiscal year beginning January 1, 2022, and interim periods within fiscal years beginning January 1, 2023. The Company will present the impact of the new guidance in its annual statement as of December 31, 2022 and interim statements thereafter. The Company does not believe the adoption of this ASU will have a material impact on the Company's consolidated statements of operations. The Company will continue to evaluate its assessment through the year ending December 31, 2022.

Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. This ASU replaces the existing incurred loss impairment model with an expected loss model. It also eliminates the concept of other-than-temporary impairment and requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. These changes will result in earlier recognition of credit losses. The amendments in this update are effective for the Company for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company is currently evaluating the impact the adoption of this ASU will have on its consolidated financial statements and related disclosures.

3. Composition of Certain Consolidated Financial Statement Line Items

Property and equipment, net consists of the following (in thousands):

	DECEMBER 31, 2021	SEPTEMBER 30, 2022
Laboratory equipment	\$ 1,015	\$ 1,027
Furniture and fixtures	90	115
Computer equipment and software	42	58
Leasehold improvements	110	109
	<u>\$ 1,257</u>	<u>\$ 1,309</u>
Less: Accumulated depreciation	(72)	(277)
Property and equipment, net	<u>\$ 1,185</u>	<u>\$ 1,032</u>

As of December 31, 2021 and September 30, 2022, non-current assets consisted primarily of deferred offering costs.

STRUCTURE THERAPEUTICS INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

Accrued expenses and other current liabilities consisted of the following (in thousands):

	DECEMBER 31, 2021	SEPTEMBER 30, 2022
Accrued compensation	\$ 1,943	\$ 2,757
Accrued research and development expenses	2,421	2,655
Accrued professional services	159	492
Income tax payable	231	147
Accrued other liabilities	71	145
Total accrued expenses and other current liabilities	<u>\$ 4,825</u>	<u>\$ 6,196</u>

4. Fair Value Measurements

The Company determines the fair value of financial and non-financial assets and liabilities using the fair value hierarchy which establishes three level of inputs that may be used to measure fair value, as follows:

Level 1—Observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs which reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

The following tables present information about the Company's financial assets measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

	DECEMBER 31, 2021				SEPTEMBER 30, 2022			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Money market funds	\$89,795	\$ —	\$ —	\$89,795	\$21,629	\$ —	\$ —	\$21,629
Cash equivalents	89,795	—	—	89,795	21,629	—	—	21,629
U.S. government bonds	—	—	—	—	20,228	—	—	20,228
Corporate debt securities	—	2,002	—	2,002	—	52,647	—	52,647
U.S. government agency bonds	—	—	—	—	—	1,784	—	1,784
Short-term investments	—	2,002	—	2,002	20,228	54,431	—	74,659
Total fair value of financial assets	<u>\$89,795</u>	<u>\$ 2,002</u>	<u>\$ —</u>	<u>\$91,797</u>	<u>\$41,857</u>	<u>\$54,431</u>	<u>\$ —</u>	<u>\$96,288</u>

STRUCTURE THERAPEUTICS INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

	DECEMBER 31, 2021			SEPTEMBER 30, 2022				
	AMORTIZED COST	UNREALIZED LOSSES	UNREALIZED GAINS	FAIR VALUE	AMORTIZED COST	UNREALIZED LOSSES		UNREALIZED GAINS
Money market funds	\$ 89,795	\$ —	\$ —	\$89,795	\$ 21,629	\$ —	\$ —	\$21,629
Cash equivalents	89,795	—	—	89,795	21,629	—	—	21,629
U.S. government bonds	—	—	—	—	20,288	(61)	1	20,228
Corporate debt securities	2,002	—	—	2,002	52,704	(57)	—	52,647
U.S. government agency bonds	—	—	—	—	1,802	(18)	—	1,784
Short-term investments	2,002	—	—	2,002	74,794	(136)	1	74,659
Total fair value of financial assets	\$ 91,797	\$ —	\$ —	\$91,797	\$ 96,423	\$ (136)	\$ 1	\$96,288

As of December 31, 2021 and September 30, 2022, the Company did not have any liabilities measured at fair value on a recurring basis.

There were no transfers in and out of Level 3 during the nine months ended September 30, 2022.

5. Term Loan

On August 4, 2020, the Company entered into a Loan and Security Agreement (the "SVB Agreement") with Silicon Valley Bank ("SVB") to raise up to \$8.0 million in debt financing ("SVB Loan") consisting of \$5.0 million available to draw on or before July 31, 2021 ("Tranche A"), and the option to draw up to an additional \$3.0 million ("Tranche B") on or before January 31, 2022, which were conditioned to initiation of a Phase 1 clinical trial on or before July 31, 2021, and nomination of a development candidate for a second asset on or prior to January 31, 2022, both of which the Company accomplished in May 2021. The Tranche B draw period was extended to July 31, 2022, upon the receipt of net cash proceeds in an amount of at least \$50.0 million from the issuance and sale by the Company of its equity securities to investors and/or subordinated debt on or prior to January 31, 2022, which the Company accomplished in July 2021. The Company elected to allow the Tranche A and Tranche B financings to expire unused on July 31, 2021 and July 31, 2022, respectively.

In connection with the entering into the SVB Agreement, the Company issued SVB a warrant to purchase shares of its ordinary shares at an exercise price of \$0.48 per share ("SVB Warrant"). The SVB Warrant is immediately exercisable for 112,279 ordinary shares of the Company and could have been exercisable for an additional number of ordinary shares equal to 44,567 ordinary shares upon draw of Tranche A and 22,283 ordinary shares upon draw of Tranche B. The warrant for Tranche A shares and Tranche B shares expired on July 31, 2021 and July 31, 2022, respectively, as the Company elected to allow the Tranche A and Tranche B financings to expire unused on July 31, 2021 and July 31, 2022, respectively.

STRUCTURE THERAPEUTICS INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (CONTINUED)

6. Commitments and Contingencies

Operating Leases

The maturities of operating lease liabilities as of September 30, 2022, were as follows (in thousands):

	SEPTEMBER 30, 2022
2022 (remaining)	\$ 93
2023	263
Total undiscounted lease payments	356
Less: imputed interest	12
Total operating lease liability	344
Less: current portion	330
Operating lease liability, net of current portion	\$ 14

Operating lease cost was \$0.3 million and \$0.8 million for the nine months ended September 30, 2021 and 2022, respectively, including \$0.1 million and \$0.6 million short-term lease costs for the nine months ended September 30, 2021 and 2022, respectively. As of September 30, 2022, the weighted average remaining lease term was 1.0 years, and the weighted average discount rate used to measure the lease liability for operating leases upon recognition was 7.8%. During the nine months ended September 30, 2021 and 2022, cash paid for amounts included in operating lease liabilities of \$0.2 million and \$0.3 million, respectively, was included in cash flows from operating activities on the condensed consolidated statements of cash flows.

Indemnification Agreements

In the ordinary course of business, the Company enters into agreements that may include indemnification provisions. Pursuant to such agreements, the Company may indemnify, hold harmless and defend an indemnified party for losses suffered or incurred by the indemnified party. Some of the provisions will limit losses to those arising from third-party actions. In some cases, the indemnification will continue after the termination of the agreement. The maximum potential number of future payments the Company could be required to make under these provisions is not determinable. The Company has never incurred material costs to defend lawsuits or settle claims related to these indemnification provisions. The Company has also entered into indemnification agreements with its directors and officers that require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers to the fullest extent permitted by the applicable law and the amended and restated memorandum and articles of association of the Company. The Company currently has directors' and officers' liability insurance. As of December 31, 2021 and September 30, 2022, the Company did not have any material indemnification claims that were probable or reasonably possible and consequently had not recorded related liabilities.

Legal Proceedings

The Company is subject to claims and assessments from time to time in the ordinary course of business but is not aware of any such matters, individually or in the aggregate, that will have a material adverse effect on the Company's financial position, results of operations or cash flows.

7. Redeemable Convertible Preferred Shares

Under the Company's Memorandum and Articles of Association, as amended, the Company's redeemable convertible preferred shares are issuable in series. The Company's board of directors is authorized to determine the rights, preferences, privileges and terms of each series.

STRUCTURE THERAPEUTICS INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
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As of December 31, 2021, redeemable convertible preferred shares consisted of the following (in thousands, except share and per share amounts):

SERIES	DECEMBER 31, 2021				
	SHARES AUTHORIZED	ORIGINAL ISSUE PRICE	SHARES ISSUED AND OUTSTANDING		LIQUIDATION VALUE
			CARRYING VALUE		
A	19,200,000	\$ 1.6667	19,200,000	\$ 32,001	\$ 32,001
A+	12,799,681	2.0313	12,799,681	26,000	26,000
B	24,701,732	4.0483	24,701,732	100,000	100,000
B-1	2,161,402	3.2386	2,161,402	8,959	7,000
	<u>58,862,815</u>		<u>58,862,815</u>	<u>\$ 166,960</u>	<u>\$ 165,001</u>

As of September 30, 2022, redeemable convertible preferred shares consisted of the following (in thousands, except share and per share amounts):

SERIES	SEPTEMBER 30, 2022				
	SHARES AUTHORIZED	ORIGINAL ISSUE PRICE	SHARES ISSUED AND OUTSTANDING		LIQUIDATION VALUE
			CARRYING VALUE		
A	19,200,000	\$ 1.6667	19,200,000	\$ 32,001	\$ 32,001
A+	12,799,681	2.0313	12,799,681	26,000	26,000
B	32,857,004	4.0483	32,857,004	133,015	133,015
B-1	2,161,402	3.2386	2,161,402	8,959	7,000
	<u>67,018,087</u>		<u>67,018,087</u>	<u>\$ 199,975</u>	<u>\$ 198,016</u>

The original issuance price in the table above reflects the stated issuance price per the respective purchase agreements.

In April 2022, the Company issued and sold an additional 8,155,272 shares of its Series B redeemable convertible preferred shares for gross proceeds of \$33.0 million, pari-passu with the current Series B shareholders. The issuance of the additional Series B redeemable convertible preferred shares was recorded at the amount of gross proceeds received less issuance costs of \$1.5 million. During the nine months ended September 30, 2022, the carrying value of the redeemable convertible preferred shares was adjusted to equal to its redemption value.

Rights, Preferences and Privileges

The rights, preferences and privileges of the Company's redeemable convertible preferred shares are as follows:

Voting Rights

Each share of redeemable convertible preferred share has the same voting rights as the number of shares of ordinary shares into which it is convertible and votes together with the holders of ordinary shares as a single class.

The holders of shares of Series B redeemable convertible preferred shares shall be entitled, voting separately as a single class, to elect two directors of the Company (the "Series B Directors"). The holders of shares of Series A+ redeemable convertible preferred shares shall be entitled, voting separately as a single class, to elect two directors of the Company (the "Series A+ Directors"). The holders of shares of Series A redeemable

STRUCTURE THERAPEUTICS INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
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convertible preferred shares shall be entitled, voting separately as a single class, to elect two directors of the Company (the "Series A Directors"). The holders of ordinary shares shall be entitled, voting separately as a single class, to elect two directors of the Company. The holders of ordinary shares and redeemable convertible preferred shares shall be entitled, voting together, to elect the remaining directors of the Company.

Dividends

Holders of outstanding shares of redeemable convertible preferred shares are entitled on a *pari passu* basis, to participate ratably (on an as if converted to ordinary shares basis) in the payment of any dividends when, as and if declared by the board of directors on the ordinary shares. Dividends are noncumulative, and none were declared as of December 31, 2021 and September 30, 2022.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, or deemed liquidation event, either voluntary or involuntary ("Liquidation"), the holders of Series B-1 and Series B redeemable convertible preferred shares shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of Series A+ and Series A redeemable convertible preferred shares and ordinary shares, an amount equal to \$3.2386 per share and \$4.0483 per share, respectively, plus all declared but unpaid dividends.

If, upon the occurrence of the Liquidation, the assets and funds thus distributed among the holders of Series B-1 and Series B redeemable convertible preferred shares shall be insufficient to permit the payment to such holders of the full amounts, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of Series B-1 and Series B redeemable convertible preferred shares in proportion to the preferential amount each such holder is otherwise entitled to receive.

After the payment to the holders of Series B-1 and Series B redeemable convertible preferred shares of the full preferential amounts specified above, the holders of Series A+ and Series A redeemable convertible preferred shares shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of ordinary shares, an amount equal to \$2.0313 per share and \$1.6667 per share, respectively, plus all declared but unpaid dividends.

If, upon the occurrence of the Liquidation, the assets and funds thus distributed among the holders of Series A+ and Series A redeemable convertible preferred shares shall be insufficient to permit the payment to such holders of the full amounts, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of Series A+ and Series A redeemable convertible preferred shares in proportion to the preferential amount each such holder is otherwise entitled to receive.

After the payment to the holders of redeemable convertible preferred shares of the full preferential amounts specified above, the remaining assets of the Company available for distribution to shareholders shall be distributed among the holders of ordinary shares and redeemable convertible preferred shares pro rata based on the number of shares held by each such holder if all shares of each such series of redeemable convertible preferred shares were converted to ordinary shares until such time as the aggregate amount distributed to the holders of redeemable convertible preferred shares is equal to three times the applicable original issue price per redeemable convertible preferred shares then held by them.

After the payment to the holders of ordinary shares and redeemable convertible preferred shares of the full amounts specified above, all of the remaining assets of the Company available for distribution to shareholders shall be distributed among the holders of ordinary shares pro rata based on the number of shares of ordinary shares held by each such holder.

Conversion

Each share of redeemable convertible preferred share is convertible, at the option of the holder, into the number of fully-paid and non-assessable ordinary shares that result from dividing the applicable original issue

STRUCTURE THERAPEUTICS INC.
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price per share by the applicable conversion price per share at the time of conversion. Redeemable convertible preferred shares are convertible into the Company's ordinary shares on a one-for-one basis.

Each share of redeemable convertible preferred share is convertible into ordinary shares automatically immediately upon the earlier of (i) the Company's consummation of an initial public offering of the ordinary shares on an internationally recognized stock exchange (which may include, without limitation, the Hong Kong Exchange, the New York Stock Exchange or the Nasdaq Stock Market) at a public offering price per share price that implies a market capitalization of the Company immediately prior to the offering of not less than \$400.0 million, and having an aggregate offering amount of not less than \$60.0 million (a "Qualified IPO"), or (ii) the Company's receipt of a written request for such conversion from the holders of the majority of the then outstanding shares of redeemable convertible preferred shares on an as-converted to ordinary shares basis.

Redemption

The redeemable convertible preferred shares are recorded within mezzanine equity because they will become redeemable at the option of the shareholders upon the occurrence of certain deemed liquidation events that are considered not solely within the Company's control or after April 29, 2026. The Company made an accounting policy election to recognize changes in the redemption value of redeemable convertible preferred shares immediately as they occur and adjust the carrying value of redeemable convertible preferred shares to equal it to its redemption value at the end of each reporting period.

8. Basecamp Bio Inc.

In March 2021, Basecamp entered into a purchase agreement with certain investors to issue and sell 9,000,000 shares of its Series Seed redeemable convertible preferred shares of Basecamp at a price of \$1.00 per share for total gross proceeds of \$9.0 million. Of the 9,000,000 shares of Series Seed redeemable convertible preferred shares, 2,000,000 shares were issued to the Company and the remaining 7,000,000 shares were issued to other existing investors of the Company. Concurrent with this financing, the Company and Basecamp entered into the License and Collaboration Agreement (the "License Agreement") in which the Company granted Basecamp a license to use its proprietary structural biology technology platform to conduct a research program to discover, research and develop novel compounds for certain selected GPCR (G protein coupled receptor) targets and the Company received 14,000,000 ordinary shares of Basecamp in exchange. The Company shall make payments to Basecamp to fund the research program specified in the License Agreement, milestone payments if and when the certain milestones are achieved by Basecamp, and royalties related to net sales. The Company and Basecamp also executed a Services Agreement under which the Company provides research and development services, business development services, management and administrative services, operational services, intellectual property services to Basecamp in consideration for fees.

Basecamp was considered a variable interest entity and the Company consolidated Basecamp as it was considered the primary beneficiary. The Series Seed redeemable convertible preferred shares of Basecamp held by other investors were classified as redeemable noncontrolling interest in temporary equity because while it was not mandatorily redeemable, in the deemed liquidation event the redeemable convertible preferred shares might become redeemable at the option of the holders of at least a majority of the then outstanding shares after March 22, 2028. Losses of Basecamp were not attributed to the redeemable noncontrolling interest as the holders of Series Seed redeemable convertible preferred shares do not have a contractual obligation to share in Basecamp's losses due to their liquidation preference right.

In December 2021, the Company acquired the 7,000,000 Series Seed redeemable convertible preferred shares of Basecamp held by the other investors in exchange for 2,161,402 shares of its Series B-1 redeemable convertible preferred stock with Basecamp becoming a wholly owned subsidiary of the Company. As the share exchange did not result in a change of control, the transaction was accounted as an equity transaction. Series B-1 redeemable convertible preferred shares were accounted for at fair value of \$9.0 million, and \$2.0 million representing the excess of the fair value over the carrying amount of noncontrolling interest on the date of share exchange of \$7.0 million was recorded in additional paid-in capital and accumulated deficit.

STRUCTURE THERAPEUTICS INC.
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9. Ordinary Shares

The Company's Memorandum and Articles of Association, as amended, authorizes the Company to issue 432,981,913 ordinary shares with a par value of \$0.0001 per share, as of September 30, 2022.

Ordinary shareholders are entitled to dividends if and when declared by the Company's board of directors subject to the prior rights of the preferred shareholders. As of December 31, 2021 and September 30, 2022, no dividends on ordinary shares had been declared by the board of directors.

The Company has the following ordinary shares reserved for future issuance (in thousands):

	DECEMBER 31, 2021	SEPTEMBER 30, 2022
Conversion of redeemable convertible preferred shares	58,863	67,018
Share options available for future grant	4,026	1,260
Share options issued and outstanding	4,646	7,329
Ordinary share warrants	135	112
Total ordinary shares reserved	<u>67,670</u>	<u>75,719</u>

10. Share-Based Compensation*Options*

A summary of share option activity is set forth below (in thousands, except per share amounts and years):

	OUTSTANDING AWARDS			WEIGHTED- AVERAGE REMAINING CONTRACTUAL TERM (IN YEARS)	AGGREGATE INTRINSIC VALUE
	NUMBER OF SHARES AVAILABLE FOR GRANT	NUMBER OF SHARES UNDERLYING OUTSTANDING OPTIONS	WEIGHTED- AVERAGE EXERCISE PRICE		
As of December 31, 2021	4,026	4,646	\$ 0.83	8.96	\$ 7,911
Granted	(3,821)	3,821	2.62		
Exercised	—	(83)	0.40		
Forfeited	1,055	(1,055)	2.36		
As of September 30, 2022	<u>1,260</u>	<u>7,329</u>	1.55	8.76	9,551
Exercisable at September 30, 2022		2,328	0.96	8.22	4,402
Vested and expected to vest at September 30, 2022		7,329	1.55	8.76	9,551

The total fair value of options that vested during the nine months ended September 30, 2022 was \$1.1 million.

Restricted Shares

Activity with respect to restricted shares was as follows (in thousands, except per share amounts):

	NUMBER OF SHARES UNDERLYING OUTSTANDING RESTRICTED SHARES	WEIGHTED-AVERAGE GRANT DATE FAIR VALUE
Unvested, December 31, 2021	1,513	\$ 0.33
Vested	(940)	0.33
Unvested, September 30, 2022	<u>573</u>	0.33

STRUCTURE THERAPEUTICS INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
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The fair value of restricted shares vested during the nine months ended September 30, 2022 was \$0.3 million.

Share-Based Compensation Associated with Awards to Employees and Non-Employees

The Company recognized share-based compensation as follows (in thousands):

	NINE MONTHS ENDED SEPTEMBER 30,	
	2021	2022
Research and development	\$ 194	\$ 692
General and administrative	356	1,199
Total share-based compensation	\$ 550	\$ 1,891

As of September 30, 2022, the total unrecognized share-based compensation expense related to unvested share options was \$7.1 million, which is expected to be recognized over the remaining weighted-average vesting period of 2.6 years.

As of September 30, 2022, the total unrecognized compensation expense related to unvested restricted shares was \$0.2 million, which is expected to be recognized over the remaining weighted-average vesting period of 0.6 years.

11. Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share attributable to ordinary shareholders, which excludes unvested restricted shares and shares which are legally outstanding, but subject to repurchase by the Company (in thousands, except per share amounts):

	NINE MONTHS ENDED SEPTEMBER 30,	
	2021	2022
Numerator:		
Net loss attributable to ordinary shareholders	\$ (24,693)	\$ (39,446)
Accretion of redeemable convertible preferred shares to their redemption value	(3,642)	(1,515)
Net loss attributable to ordinary shareholders	<u>\$ (28,335)</u>	<u>\$ (40,961)</u>
Denominator:		
Weighted-average ordinary shares outstanding	10,888	10,918
Less: weighted-average unvested restricted ordinary shares subject to repurchase	(2,933)	(1,490)
Weighted-average ordinary shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	<u>7,955</u>	<u>9,428</u>
Net loss per share attributable to ordinary shareholders, basic and diluted	\$ (3.56)	\$ (4.34)

STRUCTURE THERAPEUTICS INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
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The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to ordinary shareholders for the periods presented because including them would have been antidilutive (in thousands):

	SEPTEMBER 30,	
	2021	2022
Redeemable convertible preferred shares	56,702	67,018
Options to purchase ordinary shares	4,693	7,329
Ordinary share warrants	135	112
Unvested restricted ordinary share awards	2,332	573
Total	63,862	75,032

12. Related Party Transactions

Ramy Farid, the President and Chief Executive Officer of Schrödinger, Inc. ("Schrödinger") is a member of the Company's board of directors. During the nine months ended September 30, 2021 and 2022, the Company had an existing collaboration agreement to use the results provided by Schrödinger's software platform for its research purposes. During the nine months ended September 30, 2021 and 2022, the Company paid \$0.7 million and \$0.2 million to Schrödinger, respectively, and had less than \$0.1 million and \$0.3 million payable balance to Schrödinger as of December 31, 2021 and September 30, 2022, respectively.

As discussed in Note 8 during the year ended December 31, 2021, existing Company shareholders acquired a redeemable noncontrolling interest in Basecamp and ultimately exchanged that interest for Series B-1 redeemable convertible preferred shares of the Company.

13. Subsequent Events

The Company has evaluated subsequent events through the date the condensed consolidated financial statements were available to be issued on December 5, 2022.

8,950,000 American Depositary Shares
Representing 26,850,000 Ordinary Shares



Structure Therapeutics Inc.

American Depositary Shares

PRELIMINARY PROSPECTUS

Jefferies
SVB Securities
Guggenheim Securities
BMO Capital Markets

, 2023

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable by us in connection with the sale of our common stock being registered. All amounts are estimates except for the Securities and Exchange Commission, or SEC, registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee and the Nasdaq Global Market, or Nasdaq, listing fee.

ITEM	AMOUNT PAID OR TO BE PAID
SEC registration fee	\$ 17,014
FINRA filing fee	23,659
Nasdaq listing fee	25,000
Printing expenses	295,000
Legal fees and expenses	3,300,000
Accounting fees and expenses	1,200,000
Depository fees and expenses	75,000
Miscellaneous expenses	114,327
Total	<u>\$ 5,050,000</u>

Item 14. 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 amended and restated memorandum and articles of association that we expect to adopt to become effective immediately upon 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 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.

We expect to enter into indemnification agreements with each of our directors and executive officers prior to the completion of this offering, pursuant to which we will 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 is filed as Exhibit 1.1 to this registration statement, will also provide for indemnification by the underwriters of us and our officers and directors for certain liabilities, including liabilities arising under the Securities Act, but only to the extent that such liabilities are caused by information relating to the underwriters furnished to us in writing expressly for use in this registration statement and certain other disclosure documents.

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 15. Recent Sales of Unregistered Securities.

Since January 1, 2019, we have made the following sales of unregistered securities:

- (1) In February 2019, we issued one ordinary share upon incorporation.
- (2) In April 2019, we entered into a share exchange agreement with ShouTi LLC (the predecessor of ShouTi Inc., a Delaware corporation), Annapurna Bio, Inc. Gasherbrum Bio, Inc., and other parties named therein, pursuant to which we issued an aggregate of 10,766,249 ordinary shares to certain shareholders.
- (3) In April 2019 and December 2019, we issued and sold an aggregate of 19,200,000 Series A preferred shares for an aggregate consideration of \$32.0 million to certain investors.
- (4) In March 2020, we issued and sold an aggregate of 12,799,681 Series A+ preferred shares for an aggregate consideration of \$26.0 million to certain investors.
- (5) In August 2020, we issued a warrant to a certain investor, exercisable for up to 112,279 ordinary shares at the exercise price of \$0.48 per share.
- (6) In July 2021, we issued and sold an aggregate of 24,701,732 Series B preferred shares for an aggregate consideration of \$100.0 million to certain investors.
- (7) In December 2021, we entered into a share exchange agreement with Basecamp Bio Inc., or Basecamp, one of our subsidiaries, pursuant to which we issued an aggregate of 2,161,402 Series B-1 preferred shares for an aggregate consideration of \$7.0 million in exchange of 7,000,000 shares of Basecamp's Series Seed preferred shares.
- (8) In April 2022, we issued and sold an additional aggregate of 8,155,272 Series B preferred shares for an aggregate consideration of \$33.0 million to certain investors.
- (9) From the date of adoption of the Company's 2019 Equity Incentive Plan, as amended, or the 2019 Plan, to the effective date of this registration statement, we granted stock options under our 2019 Plan, to purchase up to an aggregate of 9,099,664 ordinary shares to our employees, directors and consultants, at a weighted-average exercise price of \$1.67 per share. Through the effective date of this registration statement, 111,666 ordinary shares were issued upon the exercise of options granted to employees, directors and consultants and the payment of \$44,225 to us was made. Through the effective date of this registration statement, 215,000 ordinary shares were issued as restricted share awards to employees, directors and consultants.

The offers, sales and issuances of the securities described in paragraphs (1) through (7) were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) (or were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) (or Regulation D promulgated thereunder) in that the issuance of securities to the accredited investors did not involve a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was an accredited investor under Rule 501 of Regulation D. No underwriters were involved in these transactions.

The offers, sales and issuances of the securities described in paragraph (5) were deemed to be exempt from registration under the Securities Act in reliance on either Rule 701 in that the transactions were under compensatory benefit plans and contracts relating to compensation as provided under Rule 701 or Section 4(a)(2) in that the issuance of securities to the accredited investors did not involve a public offering. The recipients of such securities were our employees, directors or bona fide consultants and received the securities under the 2019 Plan.

Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

The exhibits listed below are filed as part of this registration statement.

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
1.1	Form of Underwriting Agreement.
3.1 [^]	Amended and Restated Memorandum and Articles of Association of the registrant, as currently in effect.
3.2	Form of Amended and Restated Memorandum and Articles of Association of the registrant (effective immediately upon the closing of this offering).
4.1	Registrant's Specimen Certificate for Ordinary Shares.
4.2	Form of Deposit Agreement between the registrant and JPMorgan Chase Bank, N.A., as depositary.
4.3	Form of American Depositary Receipt evidencing American Depositary Shares (included in Exhibit 4.2).
4.4 [^]	Amended and Restated Investors' Rights Agreement, dated July 30, 2021, by and between the registrant and the investors named therein.
5.1	Opinion of Travers Thorp Alberga.
5.2	Opinion of Zhong Lun Law Firm.
10.1+ [^]	Form of Indemnification Agreement between the registrant and each of its executive officers and directors.
10.2+ [^]	ShouTi Inc. 2019 Equity Incentive Plan, as amended (including Forms of Option Grant Notice, Option Agreement and Notice of Exercise thereunder).
10.3+ [^]	Structure Therapeutics Inc. 2023 Equity Incentive Plan.
10.4+ [^]	Form of Share Option Grant Notice, Share Option Agreement and Notice of Exercise (US) under the Structure Therapeutics Inc. 2023 Equity Incentive Plan.
10.5+ [^]	Form of Share Option Grant Notice, Share Option Agreement and Notice of Exercise (Non-Employee Director) under the Structure Therapeutics Inc. 2023 Equity Incentive Plan.
10.6+ [^]	Form of Share Option Grant Notice, Share Option Agreement and Notice of Exercise (PRC) under the Structure Therapeutics Inc. 2023 Equity Incentive Plan.
10.7+ [^]	Form of Restricted Share Unit Award Grant Notice and Award Agreement (US) under the Structure Therapeutics Inc. 2023 Equity Incentive Plan.
10.8+ [^]	Form of Restricted Share Unit Award Grant Notice and Award Agreement (PRC) under the Structure Therapeutics Inc. 2023 Equity Incentive Plan.
10.9+ [^]	Structure Therapeutics Inc. 2023 Employee Share Purchase Plan.
10.10+ [^]	Executive Employment Agreement, by and between the registrant and Raymond Stevens, dated May 16, 2019.
10.11+ [^]	Executive Employment Agreement by and between the registrant and Jun Yoon, dated May 1, 2019.
10.12+ [^]	Amendment to the Executive Employment Agreement by and between the registrant and Jun Yoon.
10.13+ [^]	Offer Letter, by and between the registrant and Mark Bach, M.D., dated April 19, 2021.
10.14+ [^]	Offer Letter, by and between the registrant and Melita Sun Jung, dated April 23, 2021.

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
10.15+ [^]	Employment Contract, by and between Shanghai ShouTi Biotechnology Co., Ltd. and Xichen Lin, dated July 22, 2019.
10.16+ [^]	Employment Contract, by and between Shanghai ShouTi Biotechnology Co., Ltd. and Yingli Ma, dated November 1, 2022.
10.17+ [^]	Supplemental Agreement, by and among Shanghai Basecamp Biotechnology Co., Ltd., Shanghai ShouTi Biotechnology Co., Ltd. and Yingli Ma, dated October 31, 2022.
10.18+ [^]	Board Service Agreement by and between the registrant and Daniel Welch, dated December 10, 2021.
10.19+ [^]	Board Service Agreement by and between the registrant and Sharon Tetlow, dated March 2, 2022.
10.20+ [^]	Board Service Agreement by and between the registrant and Joanne Waldstreicher, dated November 23, 2022.
10.21+ [^]	Board Service Agreement by and between the registrant and Eric Dobmeier, dated December 13, 2022.
10.22+ [^]	Non-Employee Director Compensation Policy.
10.23+ [^]	Severance and Change in Control Plan.
10.24+ [^]	Collaboration Agreement, by and between Lhotse Bio, Inc. and Schrödinger, LLC, dated October 9, 2020.
10.25 [^]	Shanghai Premises Lease Contract, by and between Shanghai ShouTi Biotechnology Co., Ltd. and Shanghai Changtai Business Management Co., Ltd., dated June 22, 2021.
21.1 [^]	Subsidiaries of the registrant.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
23.2	Consent of Travers Thorp Alberga (included in Exhibit 5.1).
23.3	Consent of Zhong Lun Law Firm (included in Exhibit 5.2).
24.1	Powers of Attorney (included on the signature page).
107	Filing Fee Table.

[^] Previously filed.

+ Indicates management contract or compensatory plan.

* Pursuant to Item 601(b)(10)(iv) of Regulation S-K promulgated by the SEC, certain portions of this exhibit have been redacted because they are both not material and is the type that the Registrant treats as private or confidential. The Registrant hereby agrees to furnish supplementally to the SEC, upon its request, an unredacted copy of this exhibit.

(b) Financial Statement Schedules.

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters 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 foregoing provisions, 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 of 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Francisco, State of California on January 30, 2023.

STRUCTURE THERAPEUTICS INC.

By: /s/ Raymond Stevens, Ph.D.

Raymond Stevens, Ph.D.
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

<u>SIGNATURE</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ Raymond Stevens, Ph.D.</u> Raymond Stevens, Ph.D.	Chief Executive Officer and Director (Principal Executive Officer)	January 30, 2023
<u>/s/ Jun Yoon</u> Jun Yoon	Chief Financial Officer and Director (Principal Financial and Accounting Officer)	January 30, 2023
<u>*</u> Daniel Welch	Chairman	January 30, 2023
<u>*</u> Eric Dobmeier	Director	January 30, 2023
<u>*</u> Ramy Farid, Ph.D.	Director	January 30, 2023
<u>*</u> Jessica Lifton	Director	January 30, 2023
<u>*</u> Sharon Tetlow	Director	January 30, 2023
<u>*</u> Joanne Waldstreicher, M.D.	Director	January 30, 2023
<u>*</u> Chen Yu, M.D.	Director	January 30, 2023

*By: /s/ Raymond Stevens, Ph.D.

Raymond Stevens, Ph.D.
Attorney-in-fact

Structure Therapeutics Inc.

[●] American Depositary Shares
Representing [●] Ordinary Shares
(Par Value \$0.0001 Per Share)

UNDERWRITING AGREEMENT

February [●], 2023

JEFFERIES LLC
SVB SECURITIES LLC
GUGGENHEIM SECURITIES, LLC
BMO CAPITAL MARKETS CORP.
As Representatives of the several Underwriters

c/o Jefferies LLC
520 Madison Avenue
New York, New York 10022

c/o SVB Securities LLC
53 State Street, 40th Floor
Boston, MA 02109

c/o Guggenheim Securities, LLC
330 Madison Avenue
New York, New York 10017

c/o BMO Capital Markets Corp.
151 W. 42nd Street, 31st Floor
New York, New York 10036

Ladies and Gentlemen:

Introductory. Structure Therapeutics Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands (the “**Company**”), proposes to issue and sell to the several underwriters named in Schedule A (the “**Underwriters**”) an aggregate of [●] American Depositary Shares (“**ADSs**”), each representing three ordinary shares, par value \$0.0001 per share, of the Company (each an “**Ordinary Share**”). The [●] ADSs to be sold by the Company are called the “**Firm ADSs**.” In addition, the Company has granted to the Underwriters an option to purchase up to an additional [●] ADSs as provided in Section 2. The additional [●] ADSs to be sold by the Company pursuant to such option are collectively called the “**Optional ADSs**.” The Firm ADSs and, if and to the extent such option is exercised, the Optional ADSs are collectively called the “**Offered ADSs**.” The Ordinary Shares represented by the Firm ADSs are hereinafter called the “**Firm Shares**,” the Ordinary Shares represented by the Optional ADSs are hereinafter called the “**Optional Shares**,” and the Firm Shares and Optional Shares are hereinafter collectively called the “**Shares**.” Unless the context otherwise requires, each reference to the Firm ADSs, the Optional ADSs or the Offered ADSs herein also includes the Shares. Jefferies LLC (“**Jefferies**”), SVB Securities LLC (“**SVB Securities**”), Guggenheim Securities, LLC and BMO Capital Markets Corp. agreed to act as representatives of the several Underwriters (in such capacity, the “**Representatives**”) in connection with the offering and sale of the Offered ADSs. To the extent there are no additional underwriters listed on Schedule A, the term “**Representatives**” as used herein shall mean you, as Underwriters, and the term “**Underwriters**” shall mean either the singular or the plural, as the context requires.

The ADSs will be evidenced by American Depositary Receipts (the “**ADRs**”) to be issued pursuant to a deposit agreement, dated as of [●], 2023 (the “**Deposit Agreement**”), among the Company, JPMorgan Chase Bank, N.A., as depositary (the “**Depository**”), and the holders from time to time of the ADRs evidencing the ADSs issued thereunder. The Company shall, following subscription by the Underwriters of the Firm ADSs and, if applicable, the Optional ADSs, deposit, on behalf of the Underwriters, the Shares represented by such ADSs with [●], as custodian (the “**Depository Custodian**”) for the Depository, which shall deliver such ADSs to the Representatives for the account of the several Representatives for subsequent delivery to the other several Underwriters or the investors, as the case may be.

References in this Agreement to (1) the Company issuing and selling ADSs to the Underwriters, and similar or analogous expressions, shall be understood to include references to the Company allotting and issuing the new Ordinary Shares underlying those ADSs to the Depository Custodian and procuring the issue of ADSs representing such Ordinary Shares by the Depository or its nominee to the Underwriters; and (2) the purchase of, or payment for, any ADSs, and similar or analogous expressions, shall be understood to refer to the subscription for the Ordinary Shares underlying those ADSs, as well as the deposit of the Ordinary Shares for ADSs representing such Ordinary Shares, and the payment of the subscription moneys in respect of such Ordinary Shares.

The Representatives agree that up to [●] of the Firm ADSs to be purchased by the Underwriters (the “**Directed ADSs**”) shall be reserved for sale to certain eligible directors, officers and employees of the Company and persons having business relationships with the Company (collectively, the “**Participants**”), as part of the distribution of the Offered ADSs by the Underwriters (the “**Directed Share Program**”) subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the Financial Industry Regulatory Authority, Inc. (“**FINRA**”) and all other applicable laws, rule and regulations. The Directed Share Program shall be administered by Jefferies. To the extent that the Directed ADSs are not orally confirmed for purchase by the Participants by the end of the first business day after the date of this Agreement, such Directed ADSs may be offered to the public by the Underwriters as part of the public offering contemplated hereby.

The Company has prepared and filed with the Securities and Exchange Commission (the “**Commission**”) a registration statement on Form S-1 (File No. 333-269200) with respect to the Shares underlying the Offered ADSs, which contains a form of prospectus to be used in connection with the public offering and sale of the Offered ADSs. Such registration statement, as amended, including the financial statements, exhibits and schedules thereto, in the form in which it became effective under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (collectively, the “**Securities Act**”), including any information deemed to be a part thereof at the time of effectiveness pursuant to Rule 430A under the Securities Act, is called the “**Registration Statement**.” Any registration statement filed by the Company pursuant to Rule 462(b) under the Securities Act in connection with the offer and sale of the Offered ADSs is called the “**Rule 462(b) Registration Statement**,” and from and after the date and time of filing of any such Rule 462(b) Registration Statement the term “**Registration Statement**” shall include the Rule 462(b) Registration Statement. The Company has prepared and filed with the Commission a registration statement on Form F-6 (File No. 333-[●]) relating to the ADSs. Such registration statement, as amended, including the financial statements, exhibits and schedules thereto, in the form in which it became effective under the Securities Act is called the “**F-6 Registration Statement**.” The prospectus, in the form first used by the Underwriters to confirm sales of the Offered ADSs or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act, is called the “**Prospectus**.” The preliminary prospectus dated [●], 2023 describing the Offered ADSs and the offering thereof is called the “**Preliminary Prospectus**,” and the Preliminary Prospectus and any other prospectus in preliminary form that describes the Offered ADSs and the offering thereof and is used prior to the filing of the Prospectus is called a “**preliminary prospectus**.” As used herein, “**Applicable Time**” is [●][a.m.][p.m.] (New York City time) on [●].

As used herein, “**free writing prospectus**” has the meaning set forth in Rule 405 under the Securities Act, and “**Time of Sale Prospectus**” means the Preliminary Prospectus together with the free writing prospectuses, if any, identified in Schedule B hereto. As used herein, “**Road Show**” means a “road show” (as defined in Rule 433 under the Securities Act) relating to the offering of the Offered ADSs contemplated hereby that is a “written communication” (as defined in Rule 405 under the Securities Act). As used herein, “**Section 5(d) Written Communication**” means each written communication (within the meaning of Rule 405 under the Securities Act) that is made in reliance on Section 5(d) of the Securities Act by the Company or any person authorized to act on behalf of the Company to one or more potential investors that are qualified institutional buyers (“**QIBs**”) and/or institutions that are accredited investors (“**IAIs**”), as such terms are respectively defined in Rule 144A and Rule 501(a) under the Securities Act, to determine whether such investors might have an interest in the offering of the Offered ADSs; “**Section 5(d) Oral Communication**” means each oral communication, if any, made in reliance on Section 5(d) of the Securities Act by the Company or any person authorized to act on behalf of the Company made to one or more QIBs and/or one or more IAIs to determine whether such investors might have an interest in the offering of the Offered ADSs; “**Marketing Materials**” means any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Offered ADSs, including any roadshow or investor presentations made to investors by the Company (whether in person or electronically); and “**Permitted Section 5(d) Communication**” means the Section 5(d) Written Communication(s) and Marketing Materials listed on Schedule C attached hereto.

All references in this Agreement to (i) the Registration Statement, the F-6 Registration Statement, any preliminary prospectus (including the Preliminary Prospectus), or the Prospectus, or any amendments or supplements to any of the foregoing, or any free writing prospectus, shall include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System (“**EDGAR**”) and (ii) the Prospectus shall be deemed to include any “electronic Prospectus” provided for use in connection with the offering of the Offered ADSs as contemplated by Section 3(n) of this Agreement.

The Company hereby confirms its agreements with the Underwriters as follows:

Section 1. Representations and Warranties of the Company. The Company hereby represents, warrants and covenants to each Underwriter, as of the date of this Agreement, as of the First Closing Date (as hereinafter defined) and as of each Option Closing Date (as hereinafter defined), if any, as follows:

(a) **Compliance with Registration Requirements.** The Registration Statement and the F-6 Registration Statement have each become effective under the Securities Act. The Company has complied, to the Commission’s satisfaction, with all requests of the Commission for additional or supplemental information, if any. No stop order suspending the effectiveness of the Registration Statement or the F-6 Registration Statement is in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated or threatened by the Commission.

(b) **Disclosure.** Each preliminary prospectus and the Prospectus when filed complied in all material respects with the Securities Act and, if filed by electronic transmission pursuant to EDGAR, was identical (except as may be permitted by Regulation S-T under the Securities Act) to the copy thereof delivered to the Underwriters for use in connection with the offer and sale of the Offered ADSs. Each of the Registration Statement and any post-effective amendment thereto and the F-6 Registration Statement and any post-effective amendment thereto, at the time it became or becomes effective, complied and will comply in all material respects with the Securities Act and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As of the Applicable Time, the Time of Sale Prospectus did not, and at the First Closing Date and at each applicable Option Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Prospectus, as of its date, did not, and at the First Closing Date and at each applicable Option Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the three immediately preceding sentences do not apply to statements in or omissions from the Registration Statement or any post-effective amendment thereto, the F-6 Registration Statement or any post-effective amendment thereto, or the Prospectus or the Time of Sale Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with written information relating to any Underwriter furnished to the Company in writing by the Representatives expressly for use therein, it being understood and agreed that the only such information consists of the information described in Section 9(b) below. There are no contracts or other documents required to be described in the Time of Sale Prospectus or the Prospectus or to be filed as an exhibit to the Registration Statement or the F-6 Registration Statement which have not been described or filed as required.

(c) **Free Writing Prospectuses; Road Show.** As of the determination date referenced in Rule 164(h) under the Securities Act, the Company was not, is not or will not be (as applicable) an “ineligible issuer” in connection with the offering of the Offered ADSs pursuant to Rules 164, 405 and 433 under the Securities Act. Each free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of Rule 433 under the Securities Act, including timely filing with the Commission, retention and legending, as applicable, and each such free writing prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Offered ADSs did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Prospectus or any preliminary prospectus unless such information has been superseded or modified as of such time. Except for the free writing prospectuses, if any, identified in Schedule B, and electronic road shows, if any, furnished to the Underwriters before first use, the Company has not prepared, used or referred to, and will not, without the Representatives’ prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), prepare, use or refer to, any free writing prospectus. Each Road Show, when considered together with the Time of Sale Prospectus, did not, as of the Applicable Time, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) **Distribution of Offering Material By the Company.** Prior to the later of (i) the expiration or termination of the option granted to the several Underwriters in Section 2, (ii) the completion of the Underwriters’ distribution of the Offered ADSs and (iii) the expiration of 25 days after the date of the Prospectus, the Company has not distributed and will not distribute any offering material in connection with the offering and sale of the Offered ADSs other than the Registration Statement, the F-6 Registration Statement, the Time of Sale Prospectus, the Prospectus or any free writing prospectus reviewed and consented to by the Representatives, the free writing prospectuses, if any, identified on Schedule B hereto and any Permitted Section 5(d) Communications.

(e) **The Underwriting Agreement.** This Agreement has been duly authorized, executed and delivered by the Company.

(f) **Authorization of the Shares and the Offered ADSs.** The Shares have been duly authorized and, when allotted and issued, will be validly issued, fully paid and nonassessable and free of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase the Shares. The Shares may be freely deposited by the Company with the Depositary Custodian or its nominee against issuance of ADRs evidencing the Offered ADSs, as contemplated by the Deposit Agreement. The Offered ADSs have been duly authorized for issuance and sale pursuant to this Agreement and, when allotted, issued and delivered by the Company against payment therefor pursuant to this Agreement, will be validly issued, fully paid and nonassessable, and the issuance and sale of the Offered ADSs is not subject to any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase the Offered ADSs. Upon the sale and delivery to the Underwriters of the Offered ADSs, and payment therefor, the Underwriters will acquire good, marketable and valid title to such Offered ADSs, free and clear of all pledges, liens, security interests, charges, claims or encumbrances.

(g) **No Applicable Registration or Other Similar Rights.** There are no persons with registration or other similar rights to have any equity or debt securities registered for sale under the Registration Statement or the F-6 Registration Statement or included in the offering contemplated by this Agreement, except for such rights as have been duly waived.

(h) **No Material Adverse Change.** Except as otherwise disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, subsequent to the respective dates as of which information is given in the Registration Statement, the Time of Sale Prospectus and the Prospectus: (i) there has been no material adverse change, or any development that could reasonably be expected to result in a material adverse change, in (A) the condition, financial or otherwise, or in the earnings, business, properties, operations, operating results, assets, liabilities or prospects, whether or not arising from transactions in the ordinary course of business, of the Company and its subsidiaries, considered as one entity or (B) the ability of the Company to consummate the transactions contemplated by this Agreement or perform its obligations hereunder (any such change being referred to herein as a “**Material Adverse Change**”); (ii) the Company and its subsidiaries, considered as one entity, have not incurred any material liability or obligation, indirect, direct or contingent, including without limitation any losses or interference with their business from fire, explosion, flood, earthquakes, accident or other calamity, whether or not covered by insurance, or from any strike, labor dispute or court or governmental action, order or decree, that are material, individually or in the aggregate, to the Company and its subsidiaries, considered as one entity, and have not entered into any transactions not in the ordinary course of business; and (iii) there has not been any material decrease in the share capital or any material increase in any short-term or long-term indebtedness of the Company or its subsidiaries and there has been no dividend or distribution of any kind declared, paid or made by the Company or, except for dividends paid to the Company or other subsidiaries, by any of the Company’s subsidiaries on any class of shares, or any repurchase or redemption by the Company or any of its subsidiaries of any class of shares.

(i) **The Deposit Agreement; ADRs.** The Deposit Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the Depository, constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting creditors' rights generally or by general equitable principles. Upon due issuance by the Depository of the ADRs evidencing the Offered ADSs against the deposit of the Shares in respect thereof in accordance with the provisions of the Deposit Agreement, such ADRs will be duly and validly issued and the persons in whose names the ADRs are registered will be entitled to the rights specified therein and in the Deposit Agreement. The issuance and sale of the Offered ADSs by the Company and the deposit of the Shares with the Depository and the issuance of the ADRs evidencing the Shares as contemplated by this Agreement and the Deposit Agreement will neither (i) cause any holder of any Ordinary Shares or ADSs, securities convertible into or exchangeable or exercisable for Ordinary Shares or ADSs or options, warrants or other rights to purchase Ordinary Shares or ADSs or any other securities of the Company to have any right to acquire any preferred shares of the Company nor (ii) trigger any anti-dilution rights of any such holder with respect to such Shares, ADSs, securities, options, warrants or rights. The Deposit Agreement and the ADRs conform in all material respects to each description thereof in the Time of Sale Prospectus. Each holder of ADRs issued pursuant to the Deposit Agreement shall be entitled, subject to the Deposit Agreement, to seek enforcement of its rights through the Depository or its nominee registered as a representative of the holders of the ADRs in a direct suit, action or proceeding against the Company.

(j) **Independent Accountants.** PricewaterhouseCoopers LLP, which has expressed its opinion with respect to the financial statements (which term as used in this Agreement includes the related notes thereto) filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus, is (i) an independent registered public accounting firm as required by the Securities Act, the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "Exchange Act"), and the rules of the Public Company Accounting Oversight Board ("PCAOB"), (ii) in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X under the Securities Act and (iii) a registered public accounting firm as defined by the PCAOB whose registration has not been suspended or revoked and who has not requested such registration to be withdrawn.

(k) **Financial Statements.** The financial statements filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations, changes in shareholders' equity and cash flows for the periods specified. Such financial statements have been prepared in conformity with generally accepted accounting principles, as applied in the United States ("U.S. GAAP"), applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto. No other financial statements or supporting schedules are required to be included in the Registration Statement, the Time of Sale Prospectus or the Prospectus. The financial data set forth in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus under the captions "Prospectus Summary—Summary Consolidated Financial Data," and "Capitalization" fairly present, in all material respects, the information set forth therein on a basis consistent with that of the audited financial statements contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus. To the Company's knowledge, no person who has been suspended or barred from being associated with a registered public accounting firm, or who has failed to comply with any sanction pursuant to Rule 5300 promulgated by the PCAOB, has participated in or otherwise aided the preparation of, or audited, the financial statements, supporting schedules or other financial data filed with the Commission as a part of the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(l) **Company's Accounting System.** Except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, the Company and each of its subsidiaries make and keep accurate books and records and maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(m) Disclosure Controls and Procedures; Deficiencies in or Changes to Internal Control Over Financial Reporting. Except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, the Company has established and maintains disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 under the Exchange Act), which (i) are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared; (ii) have been evaluated by management of the Company for effectiveness as of the end of the Company's most recent fiscal quarter; and (iii) are effective in all material respects to perform the functions for which they were established. Except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, since the end of the Company's most recent audited fiscal year, there have been no significant deficiencies or material weaknesses in the Company's internal control over financial reporting (whether or not remediated) and no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company is not aware of any change in its internal control over financial reporting that has occurred during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(n) Incorporation and Good Standing of the Company. The Company has been duly incorporated and is validly existing as an exempted company in good standing under the laws of the jurisdiction of its incorporation and has the corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus and to enter into and perform its obligations under this Agreement. The Company is duly qualified as a foreign corporation to transact business and is in good standing (where such concept exists) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or to be in good standing could not reasonably be expected to result in a Material Adverse Change.

(o) Subsidiaries. Each of the Company's "subsidiaries" (for purposes of this Agreement, as defined in Rule 405 under the Securities Act) has been duly incorporated or organized, as the case may be, and is validly existing as a corporation, partnership, limited liability company or other entity, as applicable, in good standing (where such concept exists) under the laws of the jurisdiction of its incorporation or organization and has the power and authority (corporate or other) to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus. Each of the Company's subsidiaries is duly qualified as a foreign corporation, partnership or limited liability company, as applicable, to transact business and is in good standing (where such concept exists) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or to be in good standing could not reasonably be expected to result in a Material Adverse Change. All of the issued and outstanding share capital or other equity or ownership interests of each of the Company's subsidiaries have been duly authorized and validly issued, duly paid in accordance with its respective articles of association or by laws, partnership agreement or operating agreement or similar organizational documents, as applicable, and are nonassessable and are owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance or adverse claim. None of the outstanding share capital or equity interest in any subsidiary was issued in violation of preemptive or similar rights of any security holder of such subsidiary. The constitutive or organizational documents of each of the subsidiaries comply in all material respects with the requirements of applicable laws of its jurisdiction of incorporation or organization and are in full force and effect. The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21.1 to the Registration Statement.

(p) **Capitalization and Other Share Capital Matters.** The authorized, issued and outstanding share capital of the Company is as set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the caption “Capitalization” (other than for subsequent issuances, if any, pursuant to employee benefit plans, or upon the exercise of outstanding options or warrants, or pursuant to the automatic conversions of preferred shares of the Company into Ordinary Shares as a result of the public offering contemplated hereby, in each case as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus). The share capital of the Company (including the Shares and the Offered ADSs) conforms in all material respects to the description thereof contained in the Time of Sale Prospectus. All of the issued share capital of the Company has been duly authorized and validly issued, is fully paid and nonassessable and has been issued in compliance with all federal and state securities laws. None of the outstanding Ordinary Shares or ADSs were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. The form of certificates for the Ordinary Shares conform to the corporate law of the jurisdiction of the Company’s incorporation and to any requirements of the Company’s organizational documents. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any share capital of the Company or any of its subsidiaries other than those described in the Registration Statement, the Time of Sale Prospectus and the Prospectus. The descriptions of the Company’s equity incentive plans or arrangements, and the options or other rights granted thereunder, set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus in all material respects accurately and fairly present the information required to be shown with respect to such plans, arrangements, options and rights. The ADRs evidencing the Offered ADSs are in due and proper form.

(q) **Stock Exchange Listing.** The Offered ADSs have been approved for listing on The Nasdaq Global Market (the “NASDAQ”), subject only to official notice of issuance.

(r) **Non-Contravention of Existing Instruments; No Further Authorizations or Approvals Required.** Neither the Company nor any of its subsidiaries is in violation of its articles of association or by-laws, partnership agreement or operating agreement or similar organizational documents, as applicable, or is in default (or, with the giving of notice or lapse of time, would be in default) (“**Default**”) under any indenture, loan, credit agreement, note, lease, license agreement, contract, franchise or other instrument (including, without limitation, any pledge agreement, security agreement, mortgage or other instrument or agreement evidencing, guaranteeing, securing or relating to indebtedness) to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of their respective properties or assets are subject (each, an “**Existing Instrument**”), except for such Defaults as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change. The Company’s execution, delivery and performance of this Agreement, consummation of the transactions contemplated hereby, by the Deposit Agreement and by the Registration Statement, the F-6 Registration Statement, the Time of Sale Prospectus and the Prospectus and the issuance and sale of the Offered ADSs (including the use of proceeds from the sale of the Offered ADSs as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the caption “Use of Proceeds”) (i) have been duly authorized by all necessary corporate action and will not result in any violation of the provisions of the articles of association or by-laws, partnership agreement or operating agreement or similar organizational documents, as applicable, of the Company or any of its subsidiaries, (ii) will not conflict with or constitute a breach of, or Default or a Debt Repayment Triggering Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, or require the consent of any other party to, any Existing Instrument, except for such Defaults or a Debt Repayment Triggering Event as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change, and (iii) will not result in any violation of any law, administrative regulation or administrative or court decree applicable to the Company or any of its subsidiaries, except for such violations as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental or regulatory authority or agency, is required for the Company’s execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby, by the Deposit Agreement and by the Registration Statement, the F-6 Registration Statement, the Time of Sale Prospectus and the Prospectus, except (A) such as have been obtained or made by the Company and are in full force and effect under the Securities Act and such as may be required under applicable state securities or blue sky laws or FINRA and (B) such as have been obtained under the laws and regulations of jurisdictions outside the United States in which Directed ADSs are offered. As used herein, a “**Debt Repayment Triggering Event**” means any event or condition which gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder’s behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(s) **Compliance with Laws.** The Company and its subsidiaries have been and are in compliance with all applicable laws, rules and regulations, except where failure to be so in compliance could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change.

(t) **No Material Actions or Proceedings.** There is no action, suit, proceeding, inquiry or investigation brought by or before any legal or governmental entity now pending or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change. No material labor dispute with the employees of the Company or any of its subsidiaries, or with the employees of any principal supplier, manufacturer, customer or contractor of the Company, exists or, to the knowledge of the Company, is threatened or imminent.

(u) **Intellectual Property.**

(i) The Company and its subsidiaries own or possess valid and enforceable licenses for the inventions, patent applications, patents, trademarks, trade names, service names, copyrights, trade secrets and other intellectual property described in the Registration Statement, the Time of Sale Prospectus and the Prospectus as being owned or licensed by them or which are necessary or material for the conduct of their respective businesses as currently conducted or as currently proposed to be conducted (collectively, "**Intellectual Property**"), and except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change, to the Company's knowledge, the conduct of their respective businesses does not and will not infringe, misappropriate or otherwise conflict in any material respect with any such rights of others. The Intellectual Property has not been adjudged by a court of competent jurisdiction to be invalid or unenforceable, in whole or in part, and the Company is unaware of any facts which would form a reasonable basis for any such adjudication. Except as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus and except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change, to the Company's knowledge: (i) there are no third parties who have rights to any Intellectual Property purported to be owned by the Company or its subsidiaries, except for customary reversionary rights of third-party licensors with respect to such Intellectual Property that are disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus as licensed to the Company or one or more of its subsidiaries; and (ii) there is no infringement, misappropriation, breach, default or other violation, or the occurrence of any event that, with notice, the passage of time or both, would result in any of the foregoing, by any third parties of any of the Intellectual Property. There is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by any third party: (A) challenging the Company's rights in or to any Intellectual Property; (B) challenging the validity, enforceability or scope of any Intellectual Property; or (C) asserting that the Company or any of its subsidiaries infringes or otherwise violates, or would, upon the commercialization of any product or service described in the Registration Statement, the Time of Sale Prospectus or the Prospectus as under development, infringe or violate, any patent, trademark, trade name, service name, copyright, trade secret or other proprietary rights of any third party. Except as disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus, each of the Company and its subsidiaries is the sole owner of the Intellectual Property owned by it and has the valid and enforceable right to use such Intellectual Property without the obligation to obtain consent to sublicense and without a duty of accounting to co-owner, as applicable. Except as disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus, neither the Company nor any of its subsidiaries is obligated to pay a material royalty, grant a license or option, or provide other material consideration to any third party in connection with the Intellectual Property. Except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change, the Company and its subsidiaries have materially complied with the terms of each agreement pursuant to which Intellectual Property has been licensed to the Company or any subsidiary, and, to the Company's knowledge, all such agreements are in full force and effect. The Company and its subsidiaries have taken all commercially reasonable steps to protect, maintain and safeguard the Intellectual Property, including the execution of appropriate nondisclosure, confidentiality agreements and invention assignment agreements and invention assignments with their employees. All employees, consultants, agents and contractors engaged in the development of Intellectual Property on behalf of the Company or any of its subsidiaries have executed appropriate invention assignment agreements whereby such employees, consultants, agents and contractors presently assign all of their right, title and interest in and to such Intellectual Property to the Company or the relevant subsidiary, as applicable, and to the Company's knowledge, no such agreement has been breached or violated. To the Company's knowledge, no employee of the Company is in or has been in violation of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement, or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee's employment with the Company. Except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change, the Company and its subsidiaries have taken reasonable and customary actions to protect their rights in and prevent the unauthorized use and disclosure of material trade secrets and confidential business information (including confidential source code, ideas, research and development information, know-how, formulas, compositions, technical data, designs, drawings, specifications, research records, records of inventions, test information, financial, marketing and business data, customer and supplier lists and information, pricing and cost information, business and marketing plans and proposals) owned by the Company and its subsidiaries, and, to the knowledge of the Company, there has been no such unauthorized use or disclosure. None of the Company owned Intellectual Property or technology (including information technology and outsourced arrangements) employed by the Company or its subsidiaries has been obtained or is being used by the Company or its subsidiary in violation of any contractual obligation binding on the Company or its subsidiaries or any of their respective officers, directors or employees or otherwise in violation of the rights of any persons, except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change.

(ii) For purposes of this Agreement “**Owned Patents**” means patents and patent applications owned or purported to be solely owned by, or exclusively licensed to, the Company or any of its subsidiaries. The product candidates described in the Registration Statement, the Time of Sale Prospectus and the Prospectus as under development by the Company or any subsidiary fall within the scope of the claims of one or more Owned Patents. All Owned Patents have been duly and properly filed and each issued patent is being diligently maintained and is valid and enforceable; neither the Company nor any of its subsidiaries is aware of any facts that would preclude the issuance of a valid and enforceable patent on any pending patent applications included as Owned Patents; to the knowledge of the Company, the Company, its subsidiaries and the parties prosecuting such applications have complied with their duty of candor and disclosure to the U.S. Patent and Trademark Office (the “**USPTO**”), and all such requirements in the relevant foreign patent authority having similar requirements as the case may be, in connection with the Owned Patents; to the Company’s knowledge, there is no patent or patent application that contains claims that dominate or may dominate (as such term is described in 35 U.S.C. §135 and 37 C.F.R. 41.100 to 41.208) with the issued or pending claims of any of the Owned Patents. The Company and its subsidiaries are the sole and exclusive owner of all Owned Patents, and hold all right, title and interest in and to such Owned Patents free and clear of all liens, encumbrances, defects or other restrictions, except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change; and the Company is not aware of any valid or bona fide basis for a finding that any of the Owned Patents is unpatentable, invalid or unenforceable; and the Owned Patents are patentable, valid and enforceable, except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change. In connection with the Owned Patents, all relevant prior art references known to the Company or any of its subsidiaries (and, to the Company’s knowledge, its and their respective directors, officers employees and agents) were disclosed or will be disclosed to the USPTO to the extent required by and in accordance with 37 C.F.R. Section 1.56; all information submitted to the USPTO in such patent applications, and in connection with the prosecution of such applications, was accurate in all material respects; and neither the Company nor, to the Company’s knowledge, any other person made any material misrepresentations or concealed any material information from the USPTO in such applications, or in connection with the prosecution of such applications, in violation of 37 C.F.R. Section 1.56.

(v) **All Necessary Permits, etc.** The Company and its subsidiaries possess such valid and current certificates, authorizations, exemptions, clearances, approvals, registrations or permits issued by state, federal or foreign governmental or regulatory agencies or bodies necessary to the conduct of their respective businesses as currently conducted and as described in the Registration Statement, the Time of Sale Prospectus or the Prospectus (“**Permits**”), except where failure to so possess would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Change. Neither the Company nor any of its subsidiaries is in violation of, or in default under, any of the Permits or has received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such Permit, and to the Company’s knowledge, no event has occurred, which allows, or after notice or lapse of time would allow, revocation or termination thereof or would result in any other material impairment of the rights of the holder of any such Permit, except in each case, where such limitation, suspension, modification or revocation would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Change.

(w) **Title to Properties.** The Company and its subsidiaries have good and marketable title to all of the personal property and other assets reflected as owned in the financial statements referred to in Section 1(k) above (or elsewhere in the Registration Statement, the Time of Sale Prospectus or the Prospectus), in each case free and clear of any security interests, mortgages, liens, encumbrances, equities, adverse claims and other defects. The real property, improvements, equipment and personal property held under lease by the Company or any of its subsidiaries are held under valid and enforceable leases, with such exceptions as are not material and do not materially interfere with the use made or proposed to be made of such real property, improvements, equipment or personal property by the Company or such subsidiary. The Company and its subsidiaries do not own any real property.

(x) **Tax Law Compliance.** The Company and its subsidiaries have filed all federal, state and foreign income and franchise tax returns or have properly requested extensions thereof and have paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them except as may be being contested in good faith and by appropriate proceedings to the extent that failure to file or pay would reasonably be expected to result in a Material Adverse Change. The Company has made adequate charges, accruals and reserves in the applicable financial statements referred to in Section 1(k) above in respect of all U.S. federal, state and foreign income and franchise taxes for all periods as to which the tax liability of the Company or any of its subsidiaries has not been finally determined, except to the extent that failure to do so would reasonably be expected to result in a Material Adverse Change. No stamp duty, stamp duty reserve, registration, transfer or other similar taxes or duties (“**Transfer Taxes**”) are payable in the Cayman Islands, the People’s Republic of China (the “**PRC**”; for the avoidance of doubt, the PRC does not include the Hong Kong Special Administrative Region (“**Hong Kong**”), the Macau Special Administrative Region and Taiwan) or Hong Kong by or on behalf of the Underwriters in connection with (i) the creation and issuance of the Shares by the Company in the manner contemplated by this Agreement and the Deposit Agreement; (ii) the delivery of the Shares by the Company to the Depositary Custodian in the manner contemplated by the Deposit Agreement, (iii) the issuance of the Offered ADSs (or the ADRs evidencing the Offered ADSs) by the Depositary, and the delivery of the Offered ADSs (or the ADRs evidencing the Offered ADSs) to or for the account of the Underwriters, in each case in the manner contemplated by this Agreement and the Deposit Agreement; (iv) the initial sale and delivery by the Underwriters of the Offered ADSs (or the ADRs evidencing the Offered ADSs) to purchasers thereof in the manner contemplated by this Agreement; or (v) the execution and delivery of this Agreement or the Deposit Agreement.

(y) **Insurance.** Each of the Company and its subsidiaries are insured by recognized, financially sound and reputable institutions with policies in such amounts and with such deductibles and covering such risks as are generally deemed adequate and customary for their businesses including, but not limited to, policies covering real and personal property owned or leased by the Company and its subsidiaries against theft, damage, destruction and acts of vandalism and policies covering the Company and its subsidiaries for product liability claims and clinical trial liability claims. The Company has no reason to believe that it or any of its subsidiaries will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change. Neither the Company nor any of its subsidiaries has been denied any insurance coverage which it has sought or for which it has applied.

(z) **Compliance with Environmental Laws.** Except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change: (i) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, “**Hazardous Materials**”) or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, “**Environmental Laws**”); (ii) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements; (iii) there are no pending or, to the Company’s knowledge, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of its subsidiaries; and (iv) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

(aa) **Periodic Review of Costs of Environmental Compliance.** In the ordinary course of its business, the Company conducts a periodic review of the effect of Environmental Laws on the business, operations and properties of the Company and its subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). No facts or circumstances have come to the Company's attention that could result in costs or liabilities that could be expected, individually or in the aggregate, to result in a Material Adverse Change.

(bb) **ERISA Compliance.** The Company and its subsidiaries and any "employee benefit plan" (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, "ERISA")) established or maintained by the Company, its subsidiaries or their "ERISA Affiliates" (as defined below) are in compliance in all material respects with ERISA. "ERISA Affiliate" means, with respect to the Company or any of its subsidiaries, any member of any group of organizations described in Sections 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (the "Code") of which the Company or such subsidiary thereof is a member. No "reportable event" (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any "employee benefit plan" established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates, that would reasonably be expected to result in material liability to the Company or its subsidiaries. No "employee benefit plan" established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates, if such "employee benefit plan" were terminated, would have any "amount of unfunded benefit liabilities" (as defined under ERISA) that would reasonably be expected to result in material liability to the Company and its subsidiaries. Neither the Company, its subsidiaries nor any of their ERISA Affiliates has incurred or reasonably expects to incur any liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "employee benefit plan" or (ii) Sections 412, 4971, 4975 or 4980B of the Code. Each employee benefit plan established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates that is intended to be qualified under Section 401(a) of the Code is so qualified and, to the Company's knowledge, nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification.

(cc) **Company Not an "Investment Company."** The Company is not, and will not be, either after receipt of payment for the Offered ADSs or after the application of the proceeds therefrom as described under "Use of Proceeds" in the Registration Statement, the Time of Sale Prospectus or the Prospectus, required to register as an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act").

(dd) **No Price Stabilization or Manipulation; Compliance with Regulation M.** Neither the Company nor any of its subsidiaries has taken, directly or indirectly, without giving effect to activities by the Underwriters, any action designed to or that would reasonably be expected to cause or result in stabilization or manipulation of the price of the Offered ADSs or of any "reference security" (as defined in Rule 100 of Regulation M under the Exchange Act ("Regulation M")) with respect to the Offered ADSs, whether to facilitate the sale or resale of the Offered ADSs or otherwise, and has taken no action which would directly or indirectly violate Regulation M.

(ee) **Related-Party Transactions.** There are no business relationships or related-party transactions involving the Company or any of its subsidiaries or any other person required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus that have not been described as required.

(ff) **FINRA Matters.** All of the information provided to the Underwriters or to counsel for the Underwriters by the Company, its counsel, its officers and directors and, to the Company's knowledge, the holders of any securities (debt or equity) or options to acquire any securities of the Company in connection with the offering of the Offered ADSs is true, complete and correct in all material respects and compliant with FINRA's rules, and any letters, filings or other supplemental information provided to FINRA pursuant to FINRA Rules or NASD Conduct Rules is true, complete and correct in all material respects.

(gg) **Parties to Lock-up Agreements.** The Company has furnished to the Underwriters a letter agreement in the form attached hereto as Exhibit A (the "**Lock-up Agreement**") from each of the persons listed on Exhibit B. Such Exhibit B lists under an appropriate caption the directors and officers of the Company. If any additional persons shall become directors or executive officers of the Company prior to the end of the Lock-up Period (as defined below), the Company shall cause each such person, prior to or contemporaneously with their appointment or election as a director or officer of the Company, to execute and deliver to the Representatives a Lock-up Agreement.

(hh) **Statistical and Market-Related Data.** All statistical, demographic and market-related data included in the Registration Statement, the Time of Sale Prospectus or the Prospectus are based on or derived from sources that the Company believes, after reasonable inquiry, to be reliable and accurate in all material respects. To the extent required, the Company has obtained the written consent to the use of such data from such sources.

(ii) **Sarbanes-Oxley Act.** There is, and has been, no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any applicable provision of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith, including Section 402 related to loans and Sections 302 and 906 related to certifications.

(jj) **No Unlawful Contributions or Other Payments.** Neither the Company nor any of its subsidiaries nor, to the Company's knowledge, any employee or agent of the Company or any of its subsidiaries, has made any contribution or other payment to any official of, or candidate for, any federal, state or foreign office in violation of any law or of the character required to be disclosed in the Registration Statement, the Time of Sale Prospectus or the Prospectus.

(kk) **Anti-Corruption and Anti-Bribery Laws.** Neither the Company nor any of its subsidiaries nor any director, officer, or employee of the Company or any of its subsidiaries, nor to the knowledge of the Company, any agent, affiliate or other person acting on behalf of the Company or any of its subsidiaries has, in the course of its actions for, or on behalf of, the Company or any of its subsidiaries (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made or taken any act in furtherance of an offer, promise, or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or public international organization, or any political party, party official, or candidate for political office; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**"), the UK Bribery Act 2010, or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, authorized, requested, or taken an act in furtherance of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment or benefit. The Company and its subsidiaries and, to the knowledge of the Company, the Company's affiliates have conducted their respective businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(ll) Money Laundering Laws. The operations of the Company and its subsidiaries are, and have been conducted at all times, in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(mm) Sanctions. Neither the Company nor any of its subsidiaries, directors, officers, or employees, nor, to the knowledge of the Company, any agent, affiliate or other person acting on behalf of the Company or any of its subsidiaries is currently the subject or the target of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“**OFAC**”) or the U.S. Department of State, the United Nations Security Council, the European Union, His Majesty’s Treasury of the United Kingdom, or other relevant sanctions authority (collectively, “**Sanctions**”); nor is the Company or any of its subsidiaries located, organized or resident in a country or territory that is the subject or the target of comprehensive Sanctions (currently, the Crimea, so-called Donetsk People’s Republic and so-called Luhansk People’s Republic regions of Ukraine, Cuba, Iran, North Korea, and Syria) (collectively, the “**Sanctioned Countries**”); and the Company will not directly or indirectly use the proceeds of this offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, or any joint venture partner or other person or entity, for the purpose of financing the activities of or business with any person, that at the time of such financing, is the subject or the target of Sanctions in violation of Sanctions, or in or involving any Sanctioned Country or in any other manner that will result in a violation by any person (including any person participating in the transaction whether as underwriter, advisor, investor or otherwise) of applicable Sanctions. Since inception, the Company and its subsidiaries have not engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions in violation of Sanctions or with any Sanctioned Country.

(nn) Brokers. Except pursuant to this Agreement, there is no broker, finder or other party that is entitled to receive from the Company any brokerage or finder’s fee or other fee or commission as a result of any transactions contemplated by this Agreement.

(oo) Forward-Looking Statements. Each financial or operational projection or other “forward-looking statement” (as defined by Section 27A of the Securities Act or Section 21E of the Exchange Act) contained in the Registration Statement, the Time of Sale Prospectus or the Prospectus (i) was so included by the Company in good faith and with reasonable basis after due consideration by the Company of the underlying assumptions, estimates and other applicable facts and circumstances and (ii) is accompanied by meaningful cautionary statements identifying those factors that could cause actual results to differ materially from those in such forward-looking statement. No such statement was made with the knowledge of an executive officer or director of the Company that it was false or misleading.

(pp) No Outstanding Loans or Other Extensions of Credit. The Company does not have any outstanding extension of credit, in the form of a personal loan, to or for any director or executive officer (or equivalent thereof) of the Company except for such extensions of credit as are expressly permitted by Section 13(k) of the Exchange Act.

(qq) Cybersecurity. The Company and its subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases over which it has control (collectively, "IT Systems") are adequate for, and operate and perform in all material respects as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted, and, to the knowledge of the Company free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. The Company and its subsidiaries have implemented and maintained commercially reasonable physical, technical and administrative controls, policies, procedures, and safeguards designed to maintain and protect their confidential information and the integrity, operation, redundancy and security of all IT Systems and data used in connection with their businesses, including all personal and personally identifiable data (collectively, "Personal Data"). The Company and its subsidiaries have implemented reasonable backup and disaster recovery technology. There have been no breaches, violations, outages or unauthorized uses of or accesses to the IT Systems or Personal Data, except for those that have been remedied without material cost or liability or the duty to notify any other person, nor any incidents under internal review or investigations relating to the same. Neither the Company nor its subsidiaries have been notified of, and each of them has no knowledge of, any event or condition that could result in, any breach, violation, outage or unauthorized use of or access to same.

(rr) Compliance with Data Privacy Requirements. The Company and its subsidiaries are, and has been for the preceding three years, in material compliance with all applicable state and federal laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, external policies, and contractual obligations relating to the privacy and security of IT Systems and Personal Data, including the collection, storage, transfer (including, without limitation, any transfer across national borders), processing and/or use of Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification (collectively, the "Privacy Requirements"). To ensure compliance with the Privacy Requirements, the Company and its subsidiaries have in place, materially complies with, and take appropriate steps reasonably designed to ensure compliance in all material respects with their policies and procedures relating to data privacy and security and the collection, storage, use, disclosure, and handling of Personal Data (the "Policies"). The Company and its subsidiaries have at all times in the preceding three years made all disclosures to users or customers required by applicable laws and regulatory rules or requirements, and none of such disclosures made or contained in any Policy have, to the knowledge of the Company, been inaccurate or in violation of any applicable laws and regulatory rules or requirements in any material respect. The Company further certifies that neither it nor any subsidiary: (i) has received written notice of any actual or potential liability under or relating to, or actual or potential violation of, any of the Privacy Requirements, or has knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) is currently conducting or paying for, in whole or in part, any investigation, remediation, or other corrective action pursuant to any Privacy Requirement; or (iii) is a party to any order, decree, or agreement that imposes any obligation or liability under any Privacy Requirement. The execution, delivery and performance of this Agreement or any other agreement referred to in this Agreement will not result in a breach of any Privacy Requirements.

(ss) No Rights of Immunity. Except as provided by laws or statutes generally applicable to transactions of the type described in this Agreement, neither the Company nor any of its respective properties, assets or revenues has any right of immunity under Cayman Islands law, the PRC law, New York law or United States law, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any Cayman Islands, PRC, New York state or United States federal court, from service of process, attachment upon or prior judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement or the Deposit Agreement. To the extent that the Company or any of its respective properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company waives or will waive such right to the extent permitted by law and has consented to such relief and enforcement as provided in Section 19 of this Agreement.

(tt) **Enforceability of Judgments.** Any final and conclusive judgment for a fixed or readily calculable sum of money rendered by a New York state or federal court having jurisdiction under its own domestic laws and recognized by the Cayman Islands courts as having jurisdiction (according to Cayman Islands conflicts of laws principles and rules of Cayman Islands private international law at the time when proceedings were initiated) to give such final judgment in respect of any suit, action or proceeding against the Company based upon this Agreement or the Deposit Agreement and any instruments or agreements entered into for the consummation of the transactions contemplated herein and therein would be declared enforceable against the Company, without re-examination or review of the merits of the cause of action in respect of which the original judgment was given or re-litigation of the matters adjudicated upon, by the courts of the Cayman Islands, provided that the judgment is not in respect of taxes, a fine or a penalty, and that it was not obtained in a manner and is not of a kind the enforcement of which is contrary to the public policy of the Cayman Islands.

(uu) **Emerging Growth Company Status.** From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged in any Section 5(d) Written Communication or any Section 5(d) Oral Communication) through the date hereof, the Company has been and is an “emerging growth company,” as defined in Section 2(a) of the Securities Act (an “Emerging Growth Company”).

(vv) **Communications.** The Company (i) has not alone engaged in communications with potential investors in reliance on Section 5(d) of the Securities Act other than Permitted Section 5(d) Communications or Section 5(d) Oral Communications, in each case, with the consent of the Representatives with entities that are QIBs or IAIs and (ii) has not authorized anyone other than the Representatives to engage in such communications; the Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Marketing Materials, Section 5(d) Oral Communications and Section 5(d) Written Communications; as of the Applicable Time, each Permitted Section 5(d) Communication, when considered together with the Time of Sale Prospectus, did not, as of the Applicable Time, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Permitted Section 5(d) Communication, if any, does not, as of the date hereof, conflict with the information contained in the Registration Statement, the Preliminary Prospectus and the Prospectus; and the Company has filed publicly on EDGAR at least 15 calendar days prior to any “road show” (as defined in Rule 433 under the Securities Act), any confidentially submitted registration statement and registration statement amendments relating to the offer and sale of the Offered ADSs.

(vw) **Clinical and Preclinical Studies.** The clinical and preclinical studies, tests and trials conducted by or on behalf of or sponsored by the Company or any of its subsidiaries, or in which the Company or its subsidiaries have participated with respect to the Company’s product candidates, including, without limitation, any such studies, tests or trials that are described in, or the results of which are referred to in, the Registration Statement, the Time of Sale Prospectus or the Prospectus were and, if still pending, are being conducted in all material respects in accordance with all applicable laws, rules, and regulations to which they are subject, including without limitation all applicable Health Care Laws; each description of the results of such studies, tests or trials is accurate in all material respects, and the Company and its subsidiaries have no knowledge of any other studies, tests or trials, the results of which are inconsistent with, or otherwise call into question, the results described or referred to in the Registration Statement, the Time of Sale Prospectuses or the Prospectus; the Company and its subsidiaries have made all such filings and obtained all such allowances or approvals as may be required by the Food and Drug Administration of the U.S. Department of Health and Human Services (“FDA”) or any committee thereof or from any other U.S. or foreign government regulatory agency, or health care facility Institutional Review Board (collectively, the “Regulatory Agencies”) for the conduct of such studies, tests or trials; neither the Company nor any of its subsidiaries has received any written notice of, or correspondence from, any Regulatory Agency requiring the termination, suspension or modification of any studies, tests or trials, other than ordinary course written communications with respect to modifications in connection with the design and implementation of such tests or trials, and, to the Company’s knowledge, there are no reasonable grounds for the same.

(xx) **Compliance with Health Care Laws.** The Company and its subsidiaries are, and at all times have been, in compliance in all material respects with all applicable Health Care Laws. For purposes of this Agreement, "Health Care Laws" means: (i) the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Section 301 et seq.) and the regulations promulgated thereunder; (ii) all applicable federal, state, local and foreign health care fraud and abuse laws, including, without limitation, the Anti-Kickback Statute (42 U.S.C. Section 1320a-7b(b)), the Civil False Claims Act (31 U.S.C. Section 3729 et seq.), the criminal false statements law (42 U.S.C. Section 1320a-7b(a)), 18 U.S.C. Sections 286, 287, 1349 and the health care fraud criminal provisions under the U.S. Health Insurance Portability and Accountability Act of 1996 ("HIPAA") (42 U.S.C. Section 1320d et seq.), the civil monetary penalties law (42 U.S.C. Section 1320a-7a), the exclusion law (42 U.S.C. Section 1320a-7), the Physician Payments Sunshine Act (42 U.S.C. Section 1320-7h), and applicable laws governing government funded or sponsored healthcare programs; (iii) HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (42 U.S.C. Section 17921 et seq.); (iv) the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010; (v) licensure, quality, safety and accreditation requirements under applicable federal, state, local or foreign laws or regulatory bodies; and (vi) all other local, state, federal, national, supranational and foreign laws, relating to the regulation of the Company or its subsidiaries, and (vii) the directives and regulations promulgated pursuant to such statutes and any state or non-U.S. counterpart thereof. Neither the Company nor any subsidiary has received any FDA Form-483, written notice of adverse finding, warning letter, untitled letter or other correspondence or written notice from any court or arbitrator or governmental or regulatory authority alleging or asserting material non-compliance with any applicable Health Care Laws or Licenses required by any such Health Care Laws. Neither the Company nor any of its subsidiaries has received written notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any court or arbitrator or governmental or regulatory authority or third party alleging that any product operation or activity is in violation of any Health Care Laws nor, to the Company's knowledge, is any such claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action threatened. The Company and its subsidiaries have filed, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Health Care Laws, and all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete and accurate on the date filed in all material respects (or were corrected or supplemented by a subsequent submission). Neither the Company nor any of its subsidiaries is a party to any corporate integrity agreements, deferred or non-prosecution agreements, monitoring agreements, consent decrees, settlement orders, or similar agreements with or imposed by any governmental or regulatory authority. Additionally, neither the Company, any of its subsidiaries nor any of their respective employees, officers, directors, or agents has been excluded, suspended or debarred from participation in any U.S. federal health care program or human clinical research or, to the knowledge of the Company, is subject to a governmental inquiry, investigation, proceeding, or other similar action that could reasonably be expected to result in debarment, suspension, or exclusion.

(yy) **No Rights to Purchase Preferred Shares.** The issuance and sale of the Offered ADSs as contemplated hereby will not cause any holder of any ADSs or Ordinary Shares, securities convertible into or exchangeable or exercisable for ADSs or Ordinary Shares or options, warrants or other rights to purchase ADSs or Ordinary Shares or any other securities of the Company to have any right to acquire any preferred shares of the Company.

(zz) No Contract Terminations. Neither the Company nor any of its subsidiaries has sent or received any communication regarding termination of, or intent not to renew, any of the contracts or agreements referred to or described in any preliminary prospectus, the Prospectus or any free writing prospectus, or referred to or described in, or filed as an exhibit to, the Registration Statement or the F-6 Registration Statement, and no such termination or non-renewal has been threatened by the Company or any of its subsidiaries or, to the Company's knowledge, any other party to any such contract or agreement, which threat of termination or non-renewal has not been rescinded as of the date hereof.

(aaa) Dividend Restrictions. No subsidiary of the Company is prohibited or restricted, directly or indirectly, from paying dividends to the Company, or from making any other distribution with respect to such subsidiary's equity securities or from repaying to the Company or any other subsidiary of the Company any amounts that may from time to time become due under any loans or advances to such subsidiary from the Company or from transferring any property or assets to the Company or to any other subsidiary.

(bbb) Payments in Foreign Currency. Except as disclosed in the Registration Statement, Time of Sale Prospectus and the Prospectus, under current laws and regulations of the Cayman Islands, the PRC, Hong Kong and any political subdivision thereof, all dividends and other distributions declared and payable on the Offered ADSs may be paid by the Company to the holder thereof in United States dollars that may be converted into foreign currency and may be freely transferred out of the Cayman Islands, the PRC and Hong Kong and all such payments made to holders thereof or therein who are non-residents of the Cayman Islands, the PRC or Hong Kong will not be subject to income, withholding or other taxes under laws and regulations of the Cayman Islands, the PRC or Hong Kong or any political subdivision or taxing authority thereof or therein without the necessity of obtaining any governmental authorization in the Cayman Islands, the PRC and Hong Kong or any political subdivision or taxing authority thereof or therein.

(ccc) M&A Rules. The Company is aware of and has been advised as to, the content of the Rules on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors jointly promulgated by the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the State Taxation Administration, the State Administration for Industry and Commerce, the China Securities Regulatory Commission ("CSRC") and the State Administration of Foreign Exchange of the PRC on August 8, 2006, as amended by the Ministry of Commerce of the PRC on June 22, 2009 (together with any official clarification, guidance, interpretation or implementation rules related thereto, the "M&A Rules"), in particular the relevant provisions thereof which purport to require offshore special purpose vehicles, or SPVs, controlled directly or indirectly by PRC companies or individuals and formed for listing purposes through acquisitions of PRC domestic companies or assets in exchange for the shares of the SPVs, to obtain the approval of the CSRC prior to the listing and trading of their securities on an overseas stock exchange. The issuance and sale of the ADSs and the Ordinary Shares represented thereby, the listing and trading of the ADSs on the NASDAQ and the consummation of the transactions contemplated by this Agreement and the Deposit Agreement are not, and will not be as of the date hereof or at the First Closing Date or any Option Closing Date, as the case may be, adversely affected by the M&A Rules.

(ddd) Compliance with PRC Regulations on PRC Overseas Investment and Listing. Each of the Company and its subsidiaries that was incorporated outside of the PRC has complied with, and has taken all reasonable steps to comply with and to ensure compliance by each of its shareholders, option holders, directors, officers and employees that is, or is directly or indirectly owned or controlled by, a PRC resident or citizen with any applicable rules and regulations of the relevant PRC government agencies (including but not limited to the Ministry of Commerce, the National Development and Reform Commission and the State Administration of Foreign Exchange) relating to overseas investment by PRC residents and citizens (the "PRC Overseas Investment and Listing Regulations"), including, without limitation, requesting each shareholder, option holder, director, officer and employee that is, or is directly or indirectly owned or controlled by, a PRC resident or citizen to complete any registration and other procedures required under applicable PRC Overseas Investment and Listing Regulations.

(eee) **Legality.** Each of this Agreement and the Deposit Agreement is in proper form under the laws of the Cayman Islands for the enforcement thereof against the Company; and to ensure the legality, validity, enforceability or admissibility into evidence in Cayman Islands of this Agreement and the Deposit Agreement, it is not necessary that this Agreement or the Deposit Agreement be filed or recorded with any court or other authority in the Cayman Islands or that any stamp or similar tax in the Cayman Islands be paid on or in respect of this Agreement, the Deposit Agreement or any other documents to be furnished hereunder, except for nominal stamp duty if the documents are executed in or brought into the Cayman Islands.

(fff) **Valid Choice of Law.** The choice of law of the State of New York as the governing law of this Agreement is a valid choice of law under the laws of the Cayman Islands, the PRC and Hong Kong and will be recognized and given effect to in any action brought before a court of competent jurisdiction in the Cayman Islands, the PRC and Hong Kong, subject to the principles and conditions described under the section titled "Enforcement of Civil Liabilities" in the Registration Statement, the Time of Sale Prospectus and the Prospectus. The Company has the power to submit, and pursuant to Section 19 has, to the extent permitted by law, legally, validly, effectively and irrevocably submitted, to the jurisdiction of the Specified Courts (as hereinafter defined), and has the power to designate, appoint and empower, and pursuant to Section 19, has legally, validly and effectively designated, appointed and empowered an agent for service of process in any suit or proceeding based on or arising under this Agreement in any of the Specified Courts.

(ggg) **Personal Liability of Shareholders and ADS Holders.** No holder of any of the Shares or the Offered ADSs after the consummation of the transactions contemplated by this Agreement or the Deposit Agreement is or will be subject to any personal liability in respect of any liability of the Company or its subsidiaries by virtue only of its holding of any such Shares or Offered ADSs; and, except as set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus, there are no material limitations on the rights of holders of the Shares or the Offered ADSs who are not PRC residents to hold, vote or transfer their securities.

(hhh) **Indemnification and Contribution.** The indemnification and contribution provisions set forth in Section 9 and Section 10 hereof do not contravene Cayman Islands law or PRC law or public policy.

(iii) **Market Data.** Any Company-derived statistical and market-related data included in the Time of Sale Prospectus and Prospectus have been derived from the records of the Company using systems and procedures which incorporate adequate safeguards to ensure that such data are complete, true and accurate in all material respects and are not misleading; any third-party statistical and market-related data included in the Time of Sale Prospectus and Prospectus are based on or derived from sources that the Company reasonably believes to be reliable and accurate, and the Company has obtained the written consent for the use of such data from such sources to the extent required.

(jjj) Directed Share Program. (i) The Registration Statement, the Prospectus, the Time of Sale Prospectus and any preliminary prospectus comply, and any further amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which the Prospectus, Time of Sale Prospectus or any preliminary prospectus, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program, and (ii) no authorization, approval, consent, license, order registration or qualification of or with any government, governmental instrumentality or court, other than such as have been obtained, is necessary under the securities laws and regulations of foreign jurisdictions in which the Directed ADSs are offered outside the United States. The Company has not offered, or caused the Underwriters to offer, any Offered ADSs to any person pursuant to the Directed Share Program with the intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

Any certificate signed by any officer of the Company or any of its subsidiaries and delivered to any Underwriter or to counsel for the Underwriters in connection with the offering, or the purchase and sale, of the Offered ADSs shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

The Company has a reasonable basis for making each of the representations set forth in this Section 1. The Company acknowledges that the Underwriters and, for purposes of the opinions to be delivered pursuant to Section 6 hereof, counsel to the Company and counsel to the Underwriters, will rely upon the accuracy and truthfulness of the foregoing representations and hereby consents to such reliance.

Section 2. Purchase, Sale and Delivery of the Offered ADSs.

(a) The Firm ADSs. Upon the terms herein set forth, the Company agrees to issue and sell to the several Underwriters an aggregate of [●] Firm ADSs. On the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Underwriters agree, severally and not jointly, to purchase from the Company the respective number of Firm ADSs set forth opposite their names on Schedule A. The purchase price per Firm ADS to be paid by the several Underwriters to the Company shall be \$[●] per ADS.

(b) The First Closing Date. Delivery of certificates for the Firm ADSs to be purchased by the Underwriters and payment therefor shall be made at the offices of Cooley LLP, 10265 Science Center Drive, San Diego, California 92121 (or such other place as may be agreed to by the Company and the Representatives) at 9:00 a.m. New York City time, on February [●], 2023, or such other time and date not later than 1:30 p.m. New York City time, on February [●], 2023 as the Representatives shall designate by notice to the Company (the time and date of such closing are called the "**First Closing Date**"). The Company hereby acknowledges that circumstances under which the Representatives may provide notice to postpone the First Closing Date as originally scheduled include, but are not limited to, any determination by the Company or the Representatives to recirculate to the public copies of an amended or supplemented Prospectus or a delay as contemplated by the provisions of Section 11.

(c) The Optional ADSs; Option Closing Date. In addition, on the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to an aggregate of [●] Optional ADSs from the Company at the purchase price per ADS to be paid by the Underwriters for the Firm ADSs. The option granted hereunder may be exercised at any time and from time to time in whole or in part upon notice by the Representatives to the Company, which notice may be given at any time within 30 days from the date of this Agreement. Such notice shall set forth (i) the aggregate number of Optional ADSs as to which the Underwriters are exercising the option and (ii) the time, date and place at which certificates for the Optional ADSs will be delivered (which time and date may be simultaneous with, but not earlier than, the First Closing Date; and in the event that such time and date are simultaneous with the First Closing Date, the term "**First Closing Date**" shall refer to the time and date of delivery of certificates for the Firm ADSs and such Optional ADSs). Any such time and date of delivery, if subsequent to the First Closing Date, is called an "**Option Closing Date**," and shall be determined by the Representatives and shall not be earlier than two or later than five full business days after delivery of such notice of exercise. If any Optional ADSs are to be purchased, each Underwriter agrees, severally and not jointly, to purchase the number of Optional ADSs (subject to such adjustments to eliminate fractional ADSs as the Representatives may determine) that bears the same proportion to the total number of Optional ADSs to be purchased as the number of Firm ADSs set forth on Schedule A opposite the name of such Underwriter bears to the total number of Firm ADSs. The Representatives may cancel the option at any time prior to its expiration by giving written notice of such cancellation to the Company.

(d) **Public Offering of the Offered ADSs.** The Representatives hereby advise the Company that the Underwriters intend to offer for sale to the public, initially on the terms set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus, their respective portions of the Offered ADSs as soon after this Agreement has been executed and the Registration Statement has been declared effective as the Representatives, in their sole judgment, have determined is advisable and practicable.

(e) **Payment for the Offered ADSs.**

(i) Payment for the Firm ADSs shall be made at the First Closing Date (and, if applicable, payment for the Optional ADSs shall be made at the First Closing Date or at the applicable Option Closing Date, as the case may be) by wire transfer of immediately available funds to the order of the Company.

(ii) It is understood that the Representatives have been authorized, for their own account and the accounts of the several Underwriters, to accept delivery of and receipt for, and make payment of the purchase price for, the Firm ADSs and any Optional ADSs the Underwriters have agreed to purchase. Each of the Representatives, individually and not as the Representatives of the Underwriters, may (but shall not be obligated to) make payment for any Offered ADSs to be purchased by any Underwriter whose funds shall not have been received by the Representatives by the First Closing Date or the applicable Option Closing Date, as the case may be, for the account of such Underwriter, but any such payment shall not relieve such Underwriter from any of its obligations under this Agreement.

(f) **Delivery of the Offered ADSs.** The Company shall deliver, or cause to be delivered, to the Representatives for the accounts of the several Underwriters, ADRs for the Firm ADSs at the First Closing Date, against release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The Company shall also deliver, or cause to be delivered to the Representatives for the accounts of the several Underwriters, ADRs for the Optional ADSs the Underwriters have agreed to purchase at the First Closing Date or the applicable Option Closing Date, as the case may be, against the release of a wire transfer of immediately available funds for the amount of the purchase price therefor. If Jefferies so elects, delivery of ADRs for the Offered ADSs may be made by credit to the accounts designated by Jefferies through The Depository Trust Company's full fast transfer or DWAC programs. If Jefferies so elects, the ADRs for the Offered ADSs shall be in definitive form and registered in such names and denominations as the Representatives shall have requested at least two full business days prior to the First Closing Date (or the applicable Option Closing Date, as the case may be) and shall be made available for inspection on the business day preceding the First Closing Date (or the applicable Option Closing Date, as the case may be) at a location in New York City as the Representatives may designate. Time shall be of the essence, and delivery at the time and place specified in this Agreement is a further condition to the obligations of the Underwriters.

Section 3. Additional Covenants. The Company further covenants and agrees with each Underwriter as follows:

(a) **Delivery of Registration Statement, F-6 Registration Statement, Time of Sale Prospectus and Prospectus.** The Company shall furnish, upon request, to each Underwriter in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period when a prospectus relating to the Offered ADSs is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) in connection with sales of the Offered ADSs, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement or the F-6 Registration Statement as any Underwriter may reasonably request.

(b) **Representatives' Review of Proposed Amendments and Supplements.** During the period when a prospectus relating to the Offered ADSs is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), the Company (i) will furnish to the Representatives for review, a reasonable period of time prior to the proposed time of filing of any proposed amendment or supplement to the Registration Statement or the F-6 Registration Statement, a copy of each such amendment or supplement and (ii) will not amend or supplement the Registration Statement or the F-6 Registration Statement without the Representatives' prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). Prior to amending or supplementing any preliminary prospectus, the Time of Sale Prospectus or the Prospectus, the Company shall furnish to the Representatives for review, a reasonable amount of time prior to the time of filing or use of the proposed amendment or supplement, a copy of each such proposed amendment or supplement. The Company shall not file or use any such proposed amendment or supplement without the Representatives' prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). The Company shall file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) **Free Writing Prospectuses.** The Company shall furnish to the Representatives for review, a reasonable amount of time prior to the proposed time of filing or use thereof, a copy of each proposed free writing prospectus or any amendment or supplement thereto prepared by or on behalf of, used by, or referred to by the Company, and the Company shall not file, use or refer to any proposed free writing prospectus or any amendment or supplement thereto without the Representatives' prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). The Company shall furnish to each Underwriter, without charge, as many copies of any free writing prospectus prepared by or on behalf of, used by or referred to by the Company as such Underwriter may reasonably request. If at any time when a prospectus is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) in connection with sales of the Offered ADSs (but in any event if at any time through and including the First Closing Date) there occurred or occurs an event or development as a result of which any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company conflicted or would conflict with the information contained in the Registration Statement or the F-6 Registration Statement or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at such time, not misleading, the Company shall promptly amend or supplement such free writing prospectus to eliminate or correct such conflict or so that the statements in such free writing prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at such time, not misleading, as the case may be; *provided, however*, that prior to amending or supplementing any such free writing prospectus, the Company shall furnish to the Representatives for review, a reasonable amount of time prior to the proposed time of filing or use thereof, a copy of such proposed amended or supplemented free writing prospectus, and the Company shall not file, use or refer to any such amended or supplemented free writing prospectus without the Representatives' prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

(d) **Filing of Underwriter Free Writing Prospectuses.** The Company shall not take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of such Underwriter that such Underwriter otherwise would not have been required to file thereunder.

(e) **Amendments and Supplements to Time of Sale Prospectus.** If the Time of Sale Prospectus is being used to solicit offers to buy the Offered ADSs at a time when the Prospectus is not yet available to prospective purchasers, and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus so that the Time of Sale Prospectus does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when delivered to a prospective purchaser, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, the Company shall (subject to Section 3(b) and Section 3(c) hereof) promptly prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when delivered to a prospective purchaser, not misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the information contained in the Registration Statement or the F-6 Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) **Certain Notifications and Required Actions.** After the date of this Agreement, the Company shall promptly advise the Representatives in writing (which may be by electronic mail) of: (i) the receipt of any comments of, or requests for additional or supplemental information from, the Commission; (ii) the time and date of any filing of any post-effective amendment to the Registration Statement or the F-6 Registration Statement or any amendment or supplement to any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus or the Prospectus; (iii) the time and date that any post-effective amendment to the Registration Statement or the F-6 Registration Statement becomes effective; and (iv) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or the F-6 Registration Statement or any post-effective amendment thereto or any amendment or supplement to any preliminary prospectus, the Time of Sale Prospectus or the Prospectus or of any order preventing or suspending the use of any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus or the Prospectus, or of any proceedings to remove, suspend or terminate from listing or quotation the ADSs from any securities exchange upon which they are listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes. If the Commission shall enter any such stop order at any time, the Company will use its reasonable best efforts to obtain the lifting of such order as soon as practicable. Additionally, the Company agrees that it shall comply with all applicable provisions of Rule 424(b), Rule 433 and Rule 430A under the Securities Act and will use its reasonable efforts to confirm that any filings made by the Company under Rule 424(b) or Rule 433 were received in a timely manner by the Commission.

(g) **Amendments and Supplements to the Prospectus and Other Securities Act Matters.** If any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus so that the Prospectus does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) to a purchaser, not misleading, or if in the opinion of the Representatives or counsel for the Underwriters it is otherwise necessary to amend or supplement the Prospectus to comply with applicable law, the Company agrees (subject to Section 3(b) and Section 3(c)) hereof to promptly prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) to a purchaser, not misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law. Neither the Representatives' consent to, nor delivery of, any such amendment or supplement shall constitute a waiver of any of the Company's obligations under Section 3(b) or Section 3(c).

(h) **Blue Sky Compliance.** The Company shall cooperate with the Representatives and counsel for the Underwriters to qualify or register the Offered ADSs for sale under (or obtain exemptions from the application of) the state securities or blue sky laws (or other foreign laws) of those jurisdictions as may be reasonably designated by the Representatives, shall comply with such laws and shall continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Offered ADSs. The Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Representatives promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Offered ADSs for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its reasonable best efforts to obtain the withdrawal thereof at the earliest possible moment.

(i) **Use of Proceeds.** The Company shall apply the net proceeds from the sale of the Offered ADSs sold by it in all material respects in the manner described under the caption "Use of Proceeds" in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(j) **Earnings Statement.** The Company will make generally available to its security holders and to the Representatives as soon as practicable an earnings statement (which need not be audited) covering a period of at least twelve months beginning with the first fiscal quarter of the Company commencing after the date of this Agreement that will satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(k) **Continued Compliance with Securities Laws.** The Company will comply with the Securities Act and the Exchange Act so as to permit the completion of the distribution of the Offered ADSs as contemplated by this Agreement, the Registration Statement, the F-6 Registration Statement, the Time of Sale Prospectus and the Prospectus. Without limiting the generality of the foregoing, the Company will, during the period when a prospectus relating to the Offered ADSs is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule), file on a timely basis with the Commission and the NASDAQ all reports and documents required to be filed under the Exchange Act. Additionally, the Company shall report the use of proceeds from the issuance of the Offered ADSs as may be required under Rule 463 under the Securities Act.

(l) **Listing.** The Company will use its best efforts to list, subject to notice of issuance, the Offered ADSs on the NASDAQ.

(m) **Company to Provide Copy of the Prospectus in Form That May be Downloaded from the Internet.** If requested by the Representatives, the Company shall cause to be prepared and delivered, at its expense, within one business day from the effective date of this Agreement, to the Representatives an “**electronic Prospectus**” to be used by the Underwriters in connection with the offering and sale of the Offered ADSs. As used herein, the term “**electronic Prospectus**” means a form of Prospectus, and any amendment or supplement thereto, that meets each of the following conditions: (i) it shall be encoded in an electronic format, satisfactory to the Representatives, that may be transmitted electronically by the Representatives and the other Underwriters to offerees and purchasers of the Offered ADSs; (ii) it shall disclose the same information as the paper Prospectus, except to the extent that graphic and image material cannot be disseminated electronically, in which case such graphic and image material shall be replaced in the electronic Prospectus with a fair and accurate narrative description or tabular representation of such material, as appropriate; and (iii) it shall be in or convertible into a paper format or an electronic format, satisfactory to the Representatives, that will allow investors to store and have continuously ready access to the Prospectus at any future time, without charge to investors (other than any fee charged for subscription to the Internet as a whole and for on-line time).

(n) **Agreement Not to Offer or Sell Additional ADSs.** During the period commencing on and including the date hereof and continuing through and including the 180th day following the date of the Prospectus (such period being referred to herein as the “**Lock-up Period**”), the Company will not, without the prior written consent of Jefferies and SVB Securities (which consent may be withheld in their sole discretion), directly or indirectly: (i) sell, offer to sell, contract to sell or lend any ADSs, Ordinary Shares or Related Securities (as defined below); (ii) effect any short sale, or establish or increase any “put equivalent position” (as defined in Rule 16a-1(h) under the Exchange Act) or liquidate or decrease any “call equivalent position” (as defined in Rule 16a-1(b) under the Exchange Act) of any ADSs, Ordinary Shares or Related Securities; (iii) pledge, hypothecate or grant any security interest in any ADSs, Ordinary Shares or Related Securities; (iv) in any other way transfer or dispose of any ADSs, Ordinary Shares or Related Securities; (v) enter into any swap, hedge or similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of any ADSs, Ordinary Shares or Related Securities, regardless of whether any such transaction is to be settled in securities, in cash or otherwise; (vi) announce the offering of any ADSs, Ordinary Shares or Related Securities; (vii) submit or file any registration statement under the Securities Act in respect of any ADSs or Related Securities (other than as contemplated by this Agreement with respect to the Offered ADSs); (viii) effect a reverse share split, recapitalization, share consolidation, reclassification or similar transaction affecting the outstanding ADSs or Ordinary Shares; or (ix) publicly announce the intention to do any of the foregoing; *provided, however*, that the Company may (A) effect the transactions contemplated hereby, (B) issue ADSs, Ordinary Shares or Related Securities, or issue ADSs or Ordinary Shares upon exercise of Related Securities, in each case, pursuant to any equity incentive plan or arrangement described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, provided that the Company shall cause each recipient of such ADSs, Ordinary Shares or Related Securities to execute and deliver a Lock-up Agreement substantially in the form of Exhibit A hereto, (C) issue ADSs, Ordinary Shares or Related Securities to any non-employee director pursuant to any non-employee director compensation plan or program described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, (D) issue ADSs or Ordinary Shares pursuant to the exercise or settlement of Related Securities, or upon the conversion of convertible securities outstanding on the date hereof that are described in the Registration Statement, Time of Sale Prospectus and the Prospectus, (E) file one or more registration statements on Form S-8 to register ADSs, Ordinary Shares or Related Securities issued or issuable pursuant to any plans or programs described in (B) or (C) above or file a registration statement on Form F-6 to register ADSs, and (F) issue ADSs, Ordinary Shares or Related Securities, or enter into an agreement to issue ADSs, Ordinary Shares or Related Securities, in connection with any merger, joint venture, strategic alliances, commercial, lending or other collaborative or strategic transaction, or the acquisition or license of the business, property, technology or other assets of another individual or entity or the assumption of an employee benefit plan in connection with a merger or acquisition; *provided, however*, that in the case of this clause (F), (x) the aggregate number of ADSs, Ordinary Shares or Related Securities (on an as-converted or as-exercised basis, as the case may be) that the Company may issue or agree to issue shall not exceed 5% of the total number of Ordinary Shares of the Company immediately following the completion of the transactions contemplated by this Agreement and (y) each recipient thereof provides to the Representatives a signed Lock-up Agreement substantially in the form of Exhibit A hereto. For purposes of the foregoing, “**Related Securities**” shall mean any options or warrants or other rights to acquire ADSs or any securities exchangeable or exercisable for or convertible into ADSs or Ordinary Shares, or to acquire other securities or rights ultimately exchangeable or exercisable for, or convertible into, ADSs or Ordinary Shares.

(o) **Future Reports to the Representatives.** During the period of five years hereafter, the Company will furnish to the Representatives, c/o Jefferies, at 520 Madison Avenue, New York, New York 10022, Attention: Global Head of Syndicate and SVB Securities LLC, 1301 Avenue of the Americas, 12th Floor, New York, New York 10019, Attention: Equity Capital Markets: (i) as soon as practicable after the end of each fiscal year, copies of the Annual Report of the Company containing the balance sheet of the Company as of the close of such fiscal year and statements of operations and comprehensive loss, redeemable convertible preferred shares, redeemable noncontrolling interest and shareholders' deficit, and cash flows for the year then ended and the opinion thereon of the Company's independent public or certified public accountants; (ii) as soon as practicable after the filing thereof, copies of each proxy statement, Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other report filed by the Company with the Commission, FINRA or any securities exchange; and (iii) as soon as available, copies of any report or communication of the Company furnished or made available generally to holders of its share capital; *provided, however*; that the requirements of this Section 3(p) shall be satisfied to the extent that such reports, statement, communications, financial statements or other documents are available on EDGAR.

(p) **Investment Limitation.** The Company shall not invest or otherwise use the proceeds received by the Company from its sale of the Offered ADSs in such a manner as would require the Company or any of its subsidiaries to register as an investment company under the Investment Company Act.

(q) **No Stabilization or Manipulation; Compliance with Regulation M.** The Company will not take, and will ensure that no affiliate of the Company will take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in stabilization or manipulation of the price of the Offered ADSs or any reference security with respect to the Offered ADSs, whether to facilitate the sale or resale of the Offered ADSs or otherwise, and the Company will, and shall cause each of its affiliates to, comply with all applicable provisions of Regulation M.

(r) **Enforce Lock-up Agreements.** During the Lock-up Period, the Company will enforce all agreements between the Company and any of its securityholders that restrict or prohibit, expressly or in operation, the offer, sale or transfer of ADSs, Ordinary Shares or Related Securities or any of the other actions restricted or prohibited under the terms of the form of Lock-up Agreement. In addition, the Company will direct the transfer agent to place stop transfer restrictions upon any such securities of the Company that are bound by such "lock-up" agreements for the duration of the periods contemplated in such agreements, including, without limitation, "lock-up" agreements entered into by the Company's officers and directors and securityholders pursuant to Section 6(m) hereof.

(s) **Company to Provide Interim Financial Statements.** Prior to the First Closing Date and each applicable Option Closing Date, the Company will furnish the Underwriters, as soon as they have been prepared by or are available to the Company, a copy of any unaudited interim financial statements of the Company for any period subsequent to the period covered by the most recent financial statements appearing in the Registration Statement and the Prospectus.

(t) **Deposit Agreement.** On or prior to the First Closing Date and each applicable Option Closing Date, the Company agrees (i) to deposit Shares with the Depository Custodian on behalf of the Depository in accordance with the provisions of the Deposit Agreement and otherwise comply with the Deposit Agreement so that ADRs evidencing the Offered ADSs will be executed (and, if applicable, countersigned) and issued by the Depository against receipt of such Shares and delivered to the Underwriters at such Closing Date and (ii) to otherwise comply with the terms of the Deposit Agreement, including without limitation, the covenants set forth in the Deposit Agreement.

(u) **Tax Indemnity.** The Company will indemnify and hold harmless the Underwriters against Transfer Taxes (including any interest and penalties) payable in connection with (i) the issuance of the Offered ADSs (or the ADRs evidencing the Offered ADSs) by the Depository, and the delivery of the Offered ADSs (or the ADRs evidencing the Offered ADSs) to or for the account of the Underwriters, in each case in the manner contemplated by this Agreement and the Deposit Agreement; (ii) the initial sale and delivery by the Underwriters of the Offered ADSs (or the ADRs evidencing the Offered ADSs) to purchasers thereof in the manner contemplated by this Agreement; or (iii) the execution and delivery of this Agreement.

(v) **Amendments and Supplements to Permitted Section 5(d) Communications.** If at any time following the distribution of any Permitted Section 5(d) Communication, during the period of time when a prospectus relating to the ADSs is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the ADSs by an Underwriter or dealer, there occurred or occurs an event or development as a result of which such Permitted Section 5(d) Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Permitted Section 5(d) Communication to eliminate or correct such untrue statement or omission.

(w) **Emerging Growth Company Status.** The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) the time when a prospectus relating to the Offered ADSs is not required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) and (ii) the expiration of the Lock-up Period.

(x) **Announcement Regarding Lock-ups.** The Company agrees to announce the Underwriters' intention to release any director or officer of the Company from any of the restrictions imposed by any Lock-up Agreement, by issuing, through a major news service, a press release in form and substance satisfactory to the Representatives or, if consented to by the Representatives, in a registration statement that is publicly filed in connection with a secondary offering of the Company's ADSs, promptly following the Company's receipt of any notification from the Representatives in which such intention is indicated, but in any case not later than the close of the second business day prior to the date on which such release or waiver is to become effective; *provided, however*, that no such announcement shall be made of any release or waiver granted solely to permit a transfer of securities that is not for consideration and where the transferee has agreed in writing to be bound by the terms of a Lock-up Agreement in the form set forth as Exhibit A hereto.

(y) **Sales Taxes.** If the performance by the Underwriters of any of their obligations under this Agreement shall represent for VAT purposes under any applicable law the making by the Underwriters of any supply of goods or services to the Company (to the extent applicable), the Company shall pay to the Underwriters, in addition to the amounts otherwise payable by the Company pursuant to this Agreement, an amount equal to the VAT chargeable on any such supply of goods and services provided that the Underwriters have issued the Company with an appropriate VAT invoice in respect of the supply to which the payment relates. Where a sum (a “**Relevant Sum**”) is paid or reimbursed to the Underwriters pursuant to this Agreement in respect of any cost, expense or other amount and that cost, expense or other amount includes an amount in respect of irrecoverable VAT (the “**VAT Element**”) which has been certified as such by the Underwriters (acting reasonably), then the Company, to the extent applicable, shall, in addition, pay an amount equal to the VAT Element to the Underwriters. For the purposes of this Agreement, “**VAT**” means any applicable value added or similar tax.

(z) **Directed Share Program.** In connection with the Directed Share Program, the Company will ensure that the Directed ADSs will be restricted to the extent required by FINRA or its rules from sale, transfer, assignment, pledge or hypothecation for a period of three months following the date of the effectiveness of the Registration Statement. Jefferies will notify the Company as to which Participants will need to be so restricted. The Company will direct the transfer agent to place stop transfer restrictions upon such securities for such period of time. Should the Company release, or seek to release, from such restrictions any of the Directed ADSs, the Company agrees to reimburse the Underwriters for any reasonable expenses (including, without limitation, legal expenses) they incur in connection with such release.

Section 4. Payment of Expenses. The Company agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including without limitation: (i) all expenses incident to the issuance, sale and delivery of the Offered ADSs (including all printing and engraving costs), (ii) all fees and expenses of the Depository related to the Offered ADSs, (iii) all necessary Transfer Taxes in connection with the issuance and sale of the Offered ADSs to the Underwriters, (iv) all fees and expenses of the Company’s counsel, independent public or certified public accountants and other advisors, (v) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Registration Statement (including financial statements, exhibits, schedules, consents and certificates of experts), the F-6 Registration Statement, the Time of Sale Prospectus, the Prospectus, each free writing prospectus prepared by or on behalf of, used by, or referred to by the Company, and each preliminary prospectus, each Permitted Section 5(d) Communication, and all amendments and supplements thereto, and this Agreement, (vi) all filing fees, attorneys’ fees and expenses incurred by the Company or the Underwriters in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Offered ADSs for offer and sale under the state securities or blue sky laws or the provincial securities laws of Canada, and, if requested by the Representatives, preparing and printing a “Blue Sky Survey” or memorandum and a “Canadian wrapper”, and any supplements thereto, advising the Underwriters of such qualifications, registrations and exemptions, (vii) the costs, fees and expenses incurred by the Underwriters in connection with determining their compliance with the rules and regulations of FINRA related to the Underwriters’ participation in the offering and distribution of the Offered ADSs, including any related filing fees and the legal fees of, and disbursements by, counsel to the Underwriters; *provided, however*, that such legal fees, taken together with the legal fees described in clause (vi) above, shall not exceed \$40,000 in the aggregate, (viii) the costs and expenses of the Company relating to investor presentations on any “road show”, any Permitted Section 5(d) Communication or any Section 5(d) Oral Communication undertaken in connection with the offering of the Offered ADSs, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives, employees and officers of the Company and any such consultants (it being understood that the Underwriters will pay or cause to be paid the travel and lodging expenses of their representatives), and, with respect to the costs of any private aircraft chartered in connection with the road show, 50% of such costs to the extent any representatives of the Underwriters use such private aircraft (it being understood that the Underwriters will pay or cause to be paid the other 50% of the cost of such aircraft), (ix) the fees and expenses associated with listing the Offered ADSs on the NASDAQ, (x) all costs and expenses of the Underwriters, including the fees and disbursements of counsel for the Underwriters, in connection with matters related to the Directed ADSs which are designated by the Company for sale to Participants, (xi) the legal fees and expenses of the Representatives’ foreign legal counsel not to exceed a total of \$80,000 in the aggregate, and (xii) all other fees, costs and expenses of the nature referred to in Item 13 of Part II of the Registration Statement; *provided*, that any expenses payable under clauses (vi), (vii) and (x) above are invoiced in a reasonably timely manner. Except as provided in this Section 4 or in Section 7, Section 9 or Section 10 hereof, the Underwriters shall pay their own expenses, including the fees and disbursements of their counsel.

Section 5. Covenant of the Underwriters. Each Underwriter severally and not jointly covenants with the Company not to take any action that would result in the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not, but for such actions, be required to be filed by the Company under Rule 433(d).

Section 6. Conditions of the Obligations of the Underwriters. The respective obligations of the several Underwriters hereunder to purchase and pay for the Offered ADSs as provided herein on the First Closing Date and, with respect to the Optional ADSs, each Option Closing Date, shall be subject to the accuracy of the representations and warranties on the part of the Company set forth in Section 1 hereof as of the date hereof and as of the First Closing Date as though then made and, with respect to the Optional ADSs, as of each Option Closing Date as though then made, to the timely performance by the Company of its covenants and other obligations hereunder, and to each of the following additional conditions:

(a) **Comfort Letter.** On the date hereof, the Representatives shall have received from PricewaterhouseCoopers LLP, independent registered public accountants for the Company, a letter dated the date hereof addressed to the Underwriters, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountant's "comfort letters" to underwriters, delivered according to Statement of Auditing Standards No. 72 (or any successor bulletin), with respect to the audited and unaudited financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus, and each free writing prospectus, if any.

(b) **Compliance with Registration Requirements; No Stop Order; No Objection from FINRA.** For the period from and after the date of this Agreement and through and including the First Closing Date and, with respect to any Optional ADSs purchased after the First Closing Date, each Option Closing Date:

(i) The Company shall have filed the Prospectus with the Commission (including the information required by Rule 430A under the Securities Act) in the manner and within the time period required by Rule 424(b) under the Securities Act; or the Company shall have filed a post-effective amendment to the Registration Statement containing the information required by such Rule 430A, and such post-effective amendment shall have become effective.

(ii) No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment to the Registration Statement or the F-6 Registration Statement or any post-effective amendment to the F-6 Registration Statement shall be in effect, and no proceedings for such purpose shall have been instituted or threatened by the Commission.

(iii) FINRA shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements.

(c) **No Material Adverse Change or Ratings Agency Change.** For the period from and after the date of this Agreement and through and including the First Closing Date and, with respect to any Optional ADSs purchased after the First Closing Date, each Option Closing Date:

(i) in the judgment of the Representatives there shall not have occurred any Material Adverse Change; and

(ii) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any securities of the Company or any of its subsidiaries by any “nationally recognized statistical rating organization” as that term is used in Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

(d) **Opinion of U.S. Counsel for the Company.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion and negative assurance letter of Cooley LLP, counsel for the Company, in form and substance satisfactory to the Underwriters, dated as of such date.

(e) **Opinion of Cayman Islands Counsel for the Company.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of Travers Thorp Alberga, Cayman Islands counsel for the Company, in form and substance satisfactory to the Underwriters, dated as of such date.

(f) **Opinion of PRC Counsel for the Company.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of the Zhong Lun Law Firm, PRC counsel for the Company, in form and substance satisfactory to the Underwriters, dated as of such date.

(g) **Opinion of Intellectual Property Counsel for the Company.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of Sheppard, Mullin, Richter & Hampton LLP, counsel for the Company with respect to intellectual property, in form and substance satisfactory to the Underwriters, dated as of such date.

(h) **Opinion of Counsel for the Depositary.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion of Ziegler, Ziegler & Associates LLP, counsel for the Depositary, in form and substance satisfactory to the Underwriters, dated as of such date.

(i) **Opinion of U.S. Counsel for the Underwriters.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received the opinion and negative assurance letter of Latham & Watkins LLP, counsel for the Underwriters in connection with the offer and sale of the Offered ADSs, in form and substance satisfactory to the Underwriters, dated as of such date.

(j) **Opinion of PRC Counsel for the Underwriters.** On each of the First Closing Date and each Option Closing Date the Representatives shall have received the opinion of JunHe LLP, PRC counsel for the Underwriters in connection with the offer and sale of the Offered ADSs, in form and substance satisfactory to the Underwriters, dated as of such date.

(k) **Officers' Certificate.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received a certificate executed by the Chief Executive Officer or President of the Company and the Chief Financial Officer of the Company, dated as of such date, to the effect set forth in Section 6(b)(ii) and further to the effect that:

- (i) for the period from and including the date of this Agreement through and including such date, there has not occurred any Material Adverse Change;
- (ii) the representations, warranties and covenants of the Company set forth in Section 1 of this Agreement are true and correct with the same force and effect as though expressly made on and as of such date; and
- (iii) the Company has complied with all the agreements hereunder and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such date.

(l) **Bring-down Comfort Letter.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received from PricewaterhouseCoopers LLP, independent registered public accountants for the Company, a letter dated such date, in form and substance satisfactory to the Representatives, which letter shall: (i) reaffirm the statements made in the letter furnished by them pursuant to Section 6(a), except that the specified date referred to therein for the carrying out of procedures shall be no more than three business days prior to the First Closing Date or the applicable Option Closing Date, as the case may be; and (ii) cover certain financial information contained in the Prospectus.

(m) **Lock-up Agreements.** On or prior to the date hereof, the Company shall have furnished to the Representatives an agreement in the form of Exhibit A hereto from each of the persons listed on Exhibit B hereto, and each such agreement shall be in full force and effect on each of the First Closing Date and each Option Closing Date.

(n) **Rule 462(b) Registration Statement.** In the event that a Rule 462(b) Registration Statement is filed in connection with the offering contemplated by this Agreement, such Rule 462(b) Registration Statement shall have been filed with the Commission on the date of this Agreement and shall have become effective automatically upon such filing.

(o) **Approval of Listing.** At the First Closing Date, the Offered ADSs shall have been approved for listing on the NASDAQ, subject only to official notice of issuance.

(p) **Deposit Agreement.** The Company and the Depositary shall have executed and delivered the Deposit Agreement and the Deposit Agreement shall be in full force and effect. The Depositary shall have delivered to the Company certificates satisfactory to the Representatives evidencing the deposit with the Depositary Custodian or its nominee of the Shares being so deposited against issuance of ADRs evidencing the Offered ADSs to be delivered by the Company at such Closing Date, and the execution, countersignature (if applicable), issuance and delivery of ADRs evidencing such Offered ADSs pursuant to the Deposit Agreement.

(q) **CFO Certificate.** On each of the First Closing Date and each Option Closing Date, the Representatives shall have received a certificate executed by the Chief Financial Officer of the Company, dated as of such date, as to certain financial and other information included in the Registration Statement, the Time of Sale Prospectus and the Prospectus in form and substance reasonably satisfactory to the Representatives.

(r) **Additional Documents.** On or before each of the First Closing Date and each Option Closing Date, the Representatives and counsel for the Underwriters shall have received such information, documents and opinions as they may reasonably request for the purposes of enabling them to pass upon the issuance and sale of the Offered ADSs as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Offered ADSs as contemplated herein and in connection with the other transactions contemplated by this Agreement shall be satisfactory in form and substance to the Representatives and counsel for the Underwriters.

If any condition specified in this Section 6 is not satisfied when and as required to be satisfied (unless waived in writing by the Representatives), this Agreement may be terminated by the Representatives by notice from the Representatives to the Company at any time on or prior to the First Closing Date and, with respect to the Optional ADSs, at any time on or prior to the applicable Option Closing Date, which termination shall be without liability on the part of any party to any other party, except that Section 4, Section 7, Section 9 and Section 10 shall at all times be effective and shall survive such termination.

Section 7. Reimbursement of Underwriters' Expenses. If this Agreement is terminated by the Representatives pursuant to Section 6, Section 11 or Section 12, or if the sale to the Underwriters of the Offered ADSs on the First Closing Date is not consummated because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse the Representatives and the other Underwriters (or such Underwriters as have terminated this Agreement with respect to themselves), severally, upon demand for all out-of-pocket expenses that shall have been reasonably incurred by the Representatives and the Underwriters in connection with the proposed purchase and the offering and sale of the Offered ADSs, including, but not limited to, fees and disbursements of counsel, printing expenses, travel expenses, postage, facsimile and telephone charges. For the avoidance of doubt, it is understood that the Company will not pay or reimburse any costs, fees or expenses incurred by any Underwriter that defaults on its obligations to purchase the Offered ADSs.

Section 8. Effectiveness of this Agreement. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

Section 9. Indemnification.

(a) **Indemnification of the Underwriters.** The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors, officers, employees and agents, and each person, if any, who controls any Underwriter within the meaning of the Securities Act or the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which such Underwriter or such affiliate, director, officer, employee, agent or controlling person may become subject, under the Securities Act, the Exchange Act, other federal or state statutory law or regulation, or the laws or regulations of foreign jurisdictions where Offered ADSs have been offered or sold or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the F-6 Registration Statement, or any amendment to the Registration Statement or F-6 Registration Statement, or the omission or alleged omission to state therein a material fact required to be stated in the Registration Statement or F-6 Registration Statement or necessary to make the statements in the Registration Statement or F-6 Registration Statement not misleading; (ii) any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus that the Company has used, referred to or filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, any Marketing Material, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement to the foregoing) or any prospectus wrapper material distributed in connection with the reservation and sale of Directed ADSs to the Participants, or the omission or alleged omission to state therein a material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading; or (iii) any act or failure to act or any alleged act or failure to act by any Underwriter in connection with, or relating in any manner to, the ADSs or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon any matter covered by clause (i) or (ii) above; and to reimburse each Underwriter and each such affiliate, director, officer, employee, agent and controlling person for any and all expenses (including the fees and disbursements of counsel) as such expenses are incurred by such Underwriter or such affiliate, director, officer, employee, agent or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; *provided, however*, that the foregoing indemnity agreement shall not apply to any loss, claim, damage, liability or expense to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company by the Representatives in writing expressly for use in the Registration Statement, the F-6 Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any such free writing prospectus, any Marketing Material, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the information described in Section 9(b) below. The indemnity agreement set forth in this Section 9(a) shall be in addition to any liabilities that the Company may otherwise have.

(b) **Indemnification of the Company, its Directors and Officers.** Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement and the F-6 Registration Statement, and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act, against any loss, claim, damage, liability or expense, as incurred, to which the Company, or any such director, officer or controlling person may become subject, under the Securities Act, the Exchange Act, or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the F-6 Registration Statement, or any amendment to the Registration Statement or F-6 Registration Statement, or the omission or alleged omission to state in the Registration Statement or F-6 Registration Statement a material fact required to be stated therein or necessary to make the statements in the Registration Statement or F-6 Registration Statement not misleading or (ii) any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus, that the Company has used, referred to or filed, or is required to file, pursuant to Rule 433 of the Securities Act, any Section 5(d) Written Communication or the Prospectus (or any such amendment or supplement) or the omission or alleged omission to state therein a material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, the F-6 Registration Statement, such preliminary prospectus, the Time of Sale Prospectus, such free writing prospectus, such Section 5(d) Written Communication or the Prospectus (or any such amendment or supplement), in reliance upon and in conformity with information relating to such Underwriter furnished to the Company by the Representatives in writing expressly for use therein; and to reimburse the Company, or any such director, officer or controlling person for any and all expenses (including the fees and disbursements of counsel) as such expenses are incurred by the Company, or any such director, officer or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action. The Company hereby acknowledges that the only information that the Representatives have furnished to the Company expressly for use in the Registration Statement, the F-6 Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, any Section 5(d) Written Communication or the Prospectus (or any amendment or supplement to the foregoing) are the statements set forth in the fifth sentence of the second paragraph and the third sentence of the third paragraph under the caption "Underwriting", the first sentence of the first paragraph under the caption "Commission and Expenses", and the first sentence of the first paragraph under the caption "Stabilization", in each case in the section titled "Underwriting" in the Preliminary Prospectus and the Prospectus. The indemnity agreement set forth in this Section 9(b) shall be in addition to any liabilities that each Underwriter may otherwise have.

(c) **Notifications and Other Indemnification Procedures.** Promptly after receipt by an indemnified party under this Section 9 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 9, notify the indemnifying party in writing of the commencement thereof, but the omission to so notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party to the extent the indemnifying party is not materially prejudiced as a proximate result of such failure and shall not in any event relieve the indemnifying party from any liability that it may have otherwise than on account of this indemnity agreement. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; *provided, however*, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party's election to so assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 9 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the fees and expenses of more than one separate counsel (together with local counsel), representing the indemnified parties who are parties to such action), which counsel (together with any local counsel) for the indemnified parties shall be selected by the Representatives (in the case of counsel for the indemnified parties referred to in Section 9(a) above) or by the Company (in the case of counsel for the indemnified parties referred to in Section 9(b) above) or (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party and shall be paid as they are incurred.

(d) **Settlements.** The indemnifying party under this Section 9 shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for the fees and expenses of counsel as contemplated by Section 9(c) hereof, the indemnifying party shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding and does not include an admission of fault or culpability or a failure to act by or on behalf of such indemnified party.

(e) **Indemnification for Directed ADSs.** In connection with the offer and sale of the Directed ADSs, the Company agrees, promptly upon a request in writing, to indemnify and hold harmless the Underwriters from and against any and all losses, liabilities, claims, damages and expenses incurred by any of them as a result of the failure of the Participants to pay for and accept delivery of Directed ADSs which, by the end of the first business day following the date of this Agreement, were subject to a properly confirmed agreement to purchase. The Company agrees to indemnify and hold harmless the Underwriters and their respective affiliates, directors, officers, employees and agents, and each person, if any, who controls any of the Underwriters within the meaning of the Securities Act or the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which the Underwriters or such controlling person may become subject, which is (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed Share Program (including any prospectus wrapper material distributed in connection with the reservation and sale of Directed ADSs) or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) caused by the failure of any Participant to pay for and accept delivery of Directed ADSs that such Participant agreed to purchase; or (iii) related to, arising out of, or in connection with the Directed Share Program. The indemnity agreement set forth in this paragraph shall be in addition to any liabilities that the Company may otherwise have.

Section 10. Contribution. If the indemnification provided for in Section 9 is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, from the offering of the Offered ADSs pursuant to this Agreement or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriters, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Offered ADSs pursuant to this Agreement shall be deemed to be in the same respective proportions as the total proceeds from the offering of the Offered ADSs pursuant to this Agreement (before deducting expenses) received by the Company, and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth on the front cover page of the Prospectus, bear to the aggregate initial public offering price of the Offered ADSs as set forth on such cover. The relative fault of the Company, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or the Underwriters, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 9(c), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in Section 9(c) with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this Section 10; *provided, however*, that no additional notice shall be required with respect to any action for which notice has been given under Section 9(c) for purposes of indemnification.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 10.

Notwithstanding the provisions of this Section 10, no Underwriter shall be required to contribute any amount in excess of the underwriting discounts and commissions received by such Underwriter in connection with the Offered ADSs underwritten by it and distributed to the public. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 10 are several, and not joint, in proportion to their respective underwriting commitments as set forth opposite their respective names on Schedule A. For purposes of this Section 10, each affiliate, director, officer, employee and agent of an Underwriter and each person, if any, who controls an Underwriter within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement or the F-6 Registration Statement, and each person, if any, who controls the Company within the meaning of the Securities Act and the Exchange Act shall have the same rights to contribution as the Company.

Section 11. Default of One or More of the Several Underwriters. If, on the First Closing Date or any Option Closing Date any one or more of the several Underwriters shall fail or refuse to purchase Offered ADSs that it or they have agreed to purchase hereunder on such date, and the aggregate number of Offered ADSs which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase does not exceed 10% of the aggregate number of the Offered ADSs to be purchased on such date, the Representatives may make arrangements satisfactory to the Company for the purchase of such Offered ADSs by other persons, including any of the Underwriters, but if no such arrangements are made by such date, the other Underwriters shall be obligated, severally and not jointly, in the proportions that the number of Firm ADSs set forth opposite their respective names on Schedule A bears to the aggregate number of Firm ADSs set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as may be specified by the Representatives with the consent of the non-defaulting Underwriters, to purchase the Offered ADSs which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date. If, on the First Closing Date or any Option Closing Date any one or more of the Underwriters shall fail or refuse to purchase Offered ADSs and the aggregate number of Offered ADSs with respect to which such default occurs exceeds 10% of the aggregate number of Offered ADSs to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Offered ADSs are not made within 48 hours after such default, this Agreement shall terminate without liability of any party to any other party except that the provisions of Section 4, Section 7, Section 9 and Section 10 shall at all times be effective and shall survive such termination. In any such case either the Representatives or the Company shall have the right to postpone the First Closing Date or the applicable Option Closing Date, as the case may be, but in no event for longer than seven days in order that the required changes, if any, to the Registration Statement and the Prospectus or any other documents or arrangements may be effected.

As used in this Agreement, the term “**Underwriter**” shall be deemed to include any person substituted for a defaulting Underwriter under this Section 11. Any action taken under this Section 11 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

Section 12. Termination of this Agreement. Prior to the purchase of the Firm ADSs by the Underwriters on the First Closing Date, this Agreement may be terminated by the Representatives by notice given to the Company if at any time: (i) trading or quotation in any of the Company’s securities shall have been suspended or limited by the Commission or by the NASDAQ, or trading in securities generally on either the NASDAQ or the New York Stock Exchange shall have been suspended or limited, or minimum or maximum prices shall have been generally established on any of such stock exchanges; (ii) a general banking moratorium shall have been declared by any federal, New York, Cayman Islands or PRC authorities; (iii) there shall have occurred any outbreak or escalation of national or international hostilities or any crisis or calamity, or any change in the United States or international financial markets, or any substantial change or development involving a prospective substantial change in United States’ or international political, financial or economic conditions, as in the judgment of the Representatives is material and adverse and makes it impracticable to market the Offered ADSs in the manner and on the terms described in the Time of Sale Prospectus or the Prospectus or to enforce contracts for the sale of securities; (iv) in the judgment of the Representatives, there shall have occurred any Material Adverse Change; or (v) the Company shall have sustained a loss by strike, fire, flood, earthquake, accident or other calamity of such character as in the judgment of the Representatives may interfere materially with the conduct of the business and operations of the Company regardless of whether or not such loss shall have been insured. Any termination pursuant to this Section 12 shall be without liability on the part of (a) the Company to any Underwriter, except that the Company shall be obligated to reimburse the expenses of the Representatives and the Underwriters pursuant to Section 4 or Section 7 hereof or (b) any Underwriter to the Company; *provided, however*, that the provisions of Section 9 and Section 10 shall at all times be effective and shall survive such termination.

Section 13. No Advisory or Fiduciary Relationship. The Company acknowledges and agrees that (a) the purchase and sale of the Offered ADSs pursuant to this Agreement, including the determination of the public offering price of the Offered ADSs and any related discounts and commissions, is an arm’s-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other hand, (b) in connection with the offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company or its shareholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) and no Underwriter has any obligation to the Company with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

Section 14. Representations and Indemnities to Survive Delivery. The respective indemnities, agreements, representations, warranties and other statements of the Company, of its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of its or their partners, officers or directors or any controlling person, as the case may be, and, anything herein to the contrary notwithstanding, will survive delivery of and payment for the Offered ADSs sold hereunder and any termination of this Agreement.

Section 15. Notices. All communications hereunder shall be in writing and shall be mailed, hand delivered or telecopied and confirmed to the parties hereto as follows:

If to the Representatives: Jefferies LLC
520 Madison Avenue
New York, New York 10022
Facsimile: (646) 619-4437
Attention: General Counsel

SVB Securities LLC
1301 Avenue of the Americas, 12th Floor
New York, New York 10019

Guggenheim Securities, LLC
330 Madison Avenue
New York, New York 10017

BMO Capital Markets Corp.
151 W. 42nd Street, 31st Floor
New York, New York 10036

with a copy to: Latham & Watkins LLP
12670 High Bluff Drive
San Diego, CA 92130
Attention: Cheston Larson; Matt Bush

If to the Company: Structure Therapeutics Inc.
611 Gateway Ave, Suite 223
South San Francisco, CA 94080
Attention: Raymond Stevens

with a copy to: Cooley LLP
10265 Science Center Drive
San Diego, CA 92121-1909
Attention: Charlie Kim; Patrick Loofbourrow

Any party hereto may change the address for receipt of communications by giving written notice to the others.

Section 16. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, including any substitute Underwriters pursuant to Section 11 hereof, and to the benefit of the affiliates, directors, officers, employees, agents and controlling persons referred to in Section 9 and Section 10, and in each case their respective successors and personal representatives, and no other person will have any right or obligation hereunder. The term “**successors**” shall not include any purchaser of the Offered ADSs as such from any of the Underwriters merely by reason of such purchase.

Section 17. Partial Unenforceability. The invalidity or unenforceability of any section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph or provision hereof. If any section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

Section 18. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

For purposes of this Agreement, (A) “**BHC Act Affiliate**” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k); (B) “**Covered Entity**” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b); (C) “**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and (D) “**U.S. Special Resolution Regime**” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

Section 19. Governing Law Provisions. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed in such state. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby (“**Related Proceedings**”) may be instituted in the federal courts of the United States of America located in the Borough of Manhattan in the City of New York or the courts of the State of New York in each case located in the Borough of Manhattan in the City of New York (collectively, the “**Specified Courts**”), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a “**Related Judgment**”), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party’s address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum. The Company irrevocably appoints Raymond Stevens, Ph.D., Chief Executive Officer, Structure Therapeutics Inc., located at 611 Gateway Blvd., Suite 223, South San Francisco, California 94080, as its authorized agent upon which process may be served in any such suit or proceeding, and agrees that service of process upon such authorized agent, and written notice of such service to the Company, as the case may be, by the person serving the same to the address provided in this Section, shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company hereby represents and warrants that such authorized agent has accepted such appointment and has agreed to act as such authorized agent for service of process. The Company further agrees to take any and all action as may be necessary to maintain such designation and appointment of such authorized agent in full force and effect.

With respect to any Related Proceeding, each party irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, service of process, attachment (both before and after judgment) and execution to which it might otherwise be entitled in the Specified Courts, and with respect to any Related Judgment, each party waives any such immunity in the Specified Courts or any other court of competent jurisdiction, and will not raise or claim or cause to be pleaded any such immunity at or in respect of any such Related Proceeding or Related Judgment, including, without limitation, any immunity pursuant to the United States Foreign Sovereign Immunities Act of 1976, as amended.

The obligations of the Company pursuant to this Agreement in respect of any sum due to any Underwriter shall, notwithstanding any judgment in a currency other than United States dollars, not be discharged until the first business day following receipt by any Underwriter of any sum adjudged to be so due in such other currency, on which such Underwriter may in accordance with normal banking procedures purchase United States dollars with such other currency. If the United States dollars so purchased are less than the sum originally due to such Underwriter in United States dollars hereunder, the Company agrees as a separate obligation and notwithstanding any such judgment, to indemnify such Underwriter against such loss. If the United States dollars so purchased are greater than the sum originally due to such Underwriter hereunder, such Underwriter agrees to pay to the Company an amount equal to the excess of the United States dollars so purchased over the sum originally due to such Underwriter hereunder.

All payments made by the Company under this Agreement, if any, will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (other than taxes on net income) imposed or levied by or on behalf of the Cayman Islands or the PRC or any political subdivision or any taxing authority thereof or therein unless the Company is or becomes required by law to withhold or deduct such taxes, duties, assessments or other governmental charges. In such event, the Company will pay such additional amounts as will result, after such withholding or deduction, in the receipt by each Underwriter and each person controlling any Underwriter, as the case may be, of the amounts that would otherwise have been receivable in respect thereof.

Section 20. General Provisions. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. In the event that 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. This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit. The section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

Each of the parties hereto acknowledges that it is a sophisticated business person who was adequately represented by counsel during negotiations regarding the provisions hereof, including, without limitation, the indemnification provisions of Section 9 and the contribution provisions of Section 10, and is fully informed regarding said provisions. Each of the parties hereto further acknowledges that the provisions of Section 9 and Section 10 hereof fairly allocate the risks in light of the ability of the parties to investigate the Company, its affairs and its business in order to assure that adequate disclosure has been made in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, each free writing prospectus and the Prospectus (and any amendments and supplements to the foregoing), as contemplated by the Securities Act and the Exchange Act.

[Signature Pages Follow]

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company the enclosed copies hereof, whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms.

Very truly yours,

STRUCTURE THERAPEUTICS INC.

By: _____
Name:
Title:

[Signature Page to Underwriting Agreement]

The foregoing Underwriting Agreement is hereby confirmed and accepted by the Representatives in New York, New York as of the date first above written.

JEFFERIES LLC
SVB SECURITIES LLC
GUGGENHEIM SECURITIES, LLC
BMO CAPITAL MARKETS CORP.
Acting individually and as Representatives
of the several Underwriters named in
the attached Schedule A.

JEFFERIES LLC

By: _____
Name:
Title:

SVB SECURITIES LLC

By: _____
Name:
Title:

GUGGENHEIM SECURITIES, LLC

By: _____
Name:
Title:

BMO CAPITAL MARKETS CORP.

By: _____
Name:
Title:

[Signature Page to Underwriting Agreement]

Underwriters	Number of Firm ADSs to be Purchased
Jefferies LLC	[•]
SVB Securities LLC	[•]
Guggenheim Securities, LLC	[•]
BMO Capital Markets Corp.	[•]
[]	[•]
Total	[•]

Free Writing Prospectuses Included in the Time of Sale Prospectus

[to be added]

Permitted Section 5(d) Communications

[to be added]

Form of Lock-up Agreement

Dated: _____

Jefferies LLC
SVB Securities LLC
Guggenheim Securities, LLC
BMO Capital Markets Corp.
As Representatives of the Several Underwriters
c/o Jefferies LLC
520 Madison Avenue
New York, New York 10022

c/o SVB Securities LLC
53 State Street, 40th Floor
Boston, MA 02109

c/o Guggenheim Securities, LLC
330 Madison Avenue
New York, New York 10017

c/o BMO Capital Markets Corp.
151 W. 42nd Street, 31st Floor
New York, New York 10036

RE: Structure Therapeutics Inc. (the "**Company**")

Ladies & Gentlemen:

The undersigned is an owner of ordinary shares, par value \$0.0001 per share, of the Company ("**Shares**") or of securities convertible into or exchangeable or exercisable for Shares. The Company proposes to conduct a public offering of Shares (the "**Offering**") for which Jefferies LLC ("**Jefferies**"), SVB Securities LLC ("**SVB Securities**"), Guggenheim Securities, LLC and BMO Capital Markets Corp. will act as the representatives of the underwriters. The undersigned recognizes that the Offering will benefit each of the Company and the undersigned. The undersigned acknowledges that the underwriters are relying on the representations and agreements of the undersigned contained in this agreement in conducting the Offering and, at a subsequent date, in entering into an underwriting agreement (the "**Underwriting Agreement**") and other underwriting arrangements with the Company with respect to the Offering.

Annex A sets forth definitions for capitalized terms used in this agreement that are not defined in the body of this agreement. Those definitions are a part of this agreement.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that, during the Lock-up Period, the undersigned will not (and will cause any Family Member not to), subject to the exceptions set forth in this agreement, without the prior written consent of Jefferies and SVB Securities (together, the “**Lock-up Representatives**”), which may withhold their consent in their sole discretion:

- Sell or Offer to Sell any Shares or Related Securities currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under the Exchange Act) by the undersigned or such Family Member,
- enter into any Swap,
- make any demand for, or exercise any right with respect to, the registration under the Securities Act of the offer and sale of any Shares or Related Securities, or cause to be filed a registration statement (except a registration statement on Form S-8 under the Securities Act of 1933, as amended), prospectus or prospectus supplement (or an amendment or supplement thereto) with respect to any such registration, or
- publicly announce any intention to do any of the foregoing.

The foregoing restrictions will not apply to the registration of the offer and sale of the Shares, and the sale of the Shares to the underwriters, in each case as contemplated by the Underwriting Agreement. In addition, the foregoing restrictions shall not apply to the transfer of Shares or Related Securities (i) if the undersigned is a natural person, to any transfers made by the undersigned (a) by gift, will or intestate succession to a Family Member, (b) to a trust whose beneficiaries consist exclusively of one or more of the undersigned and/or a Family Member, or (c) as a bona fide gift to a charity or educational institution, if, in any such case, such transfer is not for value, (ii) if the undersigned is a corporation, partnership, limited liability company or other business entity, to any transfers to any shareholder, partner, or member of, or owner of a similar equity interest in, the undersigned, as the case may be, if, in any such case, such transfer is not for value, (iii) if the undersigned is a corporation, partnership, limited liability company or other business entity, to any transfer made by the undersigned to another corporation, partnership, limited liability company or other business entity so long as the transferee is an Affiliate of the undersigned and such transfer is not for value, (iv) to transactions relating to Shares or Related Securities acquired in the Offering if the undersigned is not an officer or director of the Company or in open market transactions after completion of the Offering, provided that no filing under the Exchange Act (other than reports filed under Section 13 of the Exchange Act) shall be required, and such transaction is not publicly announced (whether on Form 4, Form 5 or otherwise) during the Lock-Up Period and, if the filing of a report is required under Section 13 of the Exchange Act during the Lock-Up Period, such filing shall clearly indicate the type of transaction giving rise to the change in ownership, (v) to the entry, by the undersigned, at any time on or after the date of the Underwriting Agreement, of any trading plan providing for the sale of Shares by the undersigned, which trading plan meets the requirements of Rule 10b5-1(c) under the Exchange Act, provided, however, that such plan does not provide for, or permit, the sale of any Shares during the Lock-Up Period and no public announcement or filing is voluntarily made or required regarding such plan during the Lock-Up Period, (vi) to any transfers made by the undersigned to the Company in connection with the exercise, vesting or settlement of options, warrants, or other rights to acquire Shares or Related Securities in accordance with their terms (including, in each case, by way of net exercise and/or to cover withholding tax obligations), (vii) to any transfer of Shares or Related Securities pursuant to a bona fide third-party tender offer for securities of the Company, merger, consolidation or other similar transaction made to all holders of the Company’s securities involving a Change of Control, which transaction is approved by the Board of Directors of the Company, provided that all of the undersigned’s securities subject to this agreement that are not so transferred, sold, tendered or otherwise disposed of remain subject to this agreement, and provided further that it shall be a condition of the transfer that if the tender offer, merger, consolidation or other such transaction is not completed, the undersigned’s securities subject to this agreement shall remain subject to the restrictions herein, (viii) to the conversion of the outstanding preferred shares of the Company into Shares or the transfer of Shares to a depository in exchange for American Depositary Shares, provided that any such Shares received upon such conversion or American Depositary Shares received upon exchange shall be subject to the restrictions on transfer set forth in this agreement, (ix) to any transfer of Shares by (A) operation of law pursuant to a court order or (B) a settlement agreement related to the distribution of assets in connection with the dissolution of a marriage or civil union; and (x) to any transfer of the undersigned’s Shares or Related Securities to the Company in connection with (y) the termination of the undersigned’s employment with the Company, or (z) pursuant to agreements under which the Company has the option to repurchase such shares; *provided, however*, that in any such case, it shall be a condition to such transfer that:

- in the case of any transfer described in clause (i), (ii), (iii) or (ix) above, it shall be a condition to the transfer that each transferee executes and delivers to the Representatives an agreement in form and substance satisfactory to the Representatives stating that such transferee is receiving and holding such Shares and/or Related Securities subject to the provisions of this agreement and agrees not to Sell or Offer to Sell such Shares and/or Related Securities, engage in any Swap or engage in any other activities restricted under this agreement except in accordance with this agreement (as if such transferee had been an original signatory hereto);
- in the case of any transfer described in clause (i), (ii), (iii) and (iv) above, prior to the expiration of the Lock-up Period, no public disclosure or filing under Section 16 of the Exchange Act by any party to the transfer (donor, donee, transferor or transferee) shall be required, or made voluntarily, reporting a reduction in beneficial ownership in connection with such transfer; and
- in the case of any transfer described in clause (vi), (viii), (ix) or (x) above, that any required filing under Section 16 of the Exchange Act shall indicate in the footnotes thereto that the filing relates to the circumstances described in such clause and no other public announcement shall be required or shall be made voluntarily in connection with such transfer.

For avoidance of doubt, nothing in this agreement restricts or prohibits the undersigned from exercising any options or warrants to purchase Shares described in the final prospectus relating to the Offering (the “**Prospectus**”) (which exercises may be effected on a cashless basis to the extent the instruments representing such options or warrants permit exercises on a cashless basis), insofar as such option or warrant is outstanding as of the date of the Prospectus, or the vesting of an award of Shares or any related transfer of Shares to the Company in connection therewith, it being understood that any Shares issued upon such exercises will be subject to the restrictions of this agreement and provided, however, that (i) if the undersigned is required to file a report under Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of such options or warrants during the Lock-Up Period, the undersigned shall include a statement in such report to the effect that the disposition relates to the exercise of an option or warrant, as applicable, (ii) no other public announcement or filing is voluntarily made regarding such exercise during the Lock-Up Period and (iii) the Shares received upon exercise are subject to the restrictions of this agreement.

If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any Company-directed Shares the undersigned may purchase or otherwise receive in the Offering (including pursuant to a directed share program).

In addition, if the undersigned is an officer or director of the Company, (i) the Lock-up Representatives agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Shares, the Lock-up Representatives will notify the Company of the impending release or waiver, and (ii) the Company (in accordance with the provisions of the Underwriting Agreement) will announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Lock-up Representatives hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if both (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this agreement that are applicable to the transferor to the extent and for the duration that such terms remain in effect at the time of the transfer.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of Shares or Related Securities held by the undersigned and the undersigned's Family Members, if any, except in compliance with the foregoing restrictions.

With respect to the Offering only, the undersigned waives any registration rights relating to registration under the Securities Act of the offer and sale of any Shares and/or any Related Securities owned either of record or beneficially by the undersigned, including those rights set forth in any registration rights agreement or investors' rights agreement to which the undersigned and the Company may be a party, and any rights to receive notice of the Offering.

The undersigned confirms that the undersigned has not, and has no knowledge that any Family Member has, directly or indirectly, taken any action designed to or that might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares. The undersigned will not, and will cause any Family Member not to take, directly or indirectly, any such action.

The undersigned acknowledges and agrees that the underwriters have not provided any recommendation or investment advice nor have the underwriters solicited any action from the undersigned with respect to the Offering and the undersigned has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate.

If (i)(a) prior to the execution of the Underwriting Agreement, the Company notifies the Representatives in writing that it does not intend to proceed with the Offering or (b) prior to the execution of the Underwriting Agreement, the Representatives notify the Company in writing that the underwriters do not intend to proceed with the Offering, (ii) the Underwriting Agreement is not executed by June 30, 2023 (provided, however, that the undersigned agrees that this agreement shall be automatically extended by three months if the Company provides written notice to the undersigned that the Company is still pursuing the Offering), (iii) the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated for any reason prior to payment for and delivery of any Shares to be sold thereunder, or (iv) the registration statement filed with the SEC in connection with the Offering is withdrawn, then this agreement shall immediately be terminated and the undersigned shall automatically be released from all of his, her or its obligations under this agreement.

The undersigned hereby represents and warrants that the undersigned has full power, capacity and authority to enter into this agreement. This agreement is irrevocable and will be binding on the undersigned and the successors, heirs, personal representatives and assigns of the undersigned.

This agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

INVESTOR:

[NAME]

By: _____

Name:

Title:

**Certain Defined Terms
Used in Lock-up Agreement**

For purposes of the agreement to which this Annex A is attached and of which it is made a part:

- “**Affiliate**” shall have the meaning set forth in Rule 405 under the Securities Act.
- “**Call Equivalent Position**” shall have the meaning set forth in Rule 16a-1(b) under the Exchange Act.
- “**Change of Control**” shall mean any bona fide third party tender offer, merger, consolidation or other similar transaction, in one transaction or a series of related transactions, the result of which is that any “person” (as defined in Section 13(d)(3) of the Exchange Act), or group of persons, other than the Company or its subsidiaries, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of 50% or more of the total voting power of the voting shares of the Company (or the surviving entity).
- “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.
- “**Family Member**” shall mean the spouse of the undersigned, an immediate family member of the undersigned or an immediate family member of the undersigned’s spouse, in each case living in the undersigned’s household or whose principal residence is the undersigned’s household (regardless of whether such spouse or family member may at the time be living elsewhere due to educational activities, health care treatment, military service, temporary internship or employment or otherwise). “**Immediate family member**” as used above shall have the meaning set forth in Rule 16a-1(e) under the Exchange Act.
- “**Lock-up Period**” shall mean the period beginning on the date hereof and continuing through the close of trading on the date that is 180 days after the date of the Prospectus (as defined in the Underwriting Agreement).
- “**Put Equivalent Position**” shall have the meaning set forth in Rule 16a-1(h) under the Exchange Act.
- “**Related Securities**” shall mean any options or warrants or other rights to acquire Shares or any securities exchangeable or exercisable for or convertible into Shares, or to acquire other securities or rights ultimately exchangeable or exercisable for or convertible into Shares.
- “**Securities Act**” shall mean the Securities Act of 1933, as amended.
- “**Sell or Offer to Sell**” shall mean to:
 - sell, offer to sell, contract to sell or lend,
 - effect any short sale or establish or increase a Put Equivalent Position or liquidate or decrease any Call Equivalent Position
 - pledge, hypothecate or grant any security interest in, or
 - in any other way transfer or dispose of,
 - in each case whether effected directly or indirectly.
- “**Swap**” shall mean any swap, hedge or similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of Shares or Related Securities, regardless of whether any such transaction is to be settled in securities, in cash or otherwise.

Capitalized terms not defined in this Annex A shall have the meanings given to them in the body of this lock-up agreement.

Directors, Officers and Others
Signing Lock-up Agreement

Directors:

- Raymond Steven, Ph.D.
- Jun Yoon
- Daniel Welch
- Eric Dobmeier
- Sharon Tetlow
- Joanna Waldstreicher, M.D.

Officers:

- Raymond Steven, Ph.D.
- Jun Yoon
- Xichen Lin, Ph.D.
- Yingli Ma, Ph.D.
- Melita Sun Jung
- Mark Bach, M.D., Ph.D.

Others:

- TCG Crossover Fund I LP
- Biotechnology Value Fund L.P., Biotechnology Value Fund II, L.P., and Biotechnology Value Trading Fund OS, L.P.
- Schrodinger, Inc.

**THE COMPANIES ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
SEVENTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
STRUCTURE THERAPEUTICS INC.**

(adopted by a Special Resolution passed on January 19, 2023 and effective immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing the Company's Ordinary Shares)

1. The name of the Company is Structure Therapeutics Inc.
 2. The Registered Office of the Company shall be at offices of International Corporation Services Ltd., P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands, or at such other location as the Directors may from time to time determine.
 3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.
 4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Act.
 5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
 6. The liability of each Shareholder is limited to the amount, if any, unpaid on the Shares held by such Shareholder.
-

7. The authorised share capital of the Company is US\$60,000 divided into 500,000,000 Ordinary Shares, par value US\$0.0001 each and 100,000,000 shares of a par value of US\$0.0001 each of such class or classes (however designated) as the Board of Directors may determine in accordance with Article 9 of the Articles. Subject to the Companies Act, the Articles and, where applicable, the Designated Stock Exchange Rules, the Company shall have power to redeem or purchase any of its Shares and to increase or reduce its authorised share capital and to sub-divide or consolidate the said Shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.
 8. The Company has the power contained in the Companies Act to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.
 9. Capitalised terms that are not defined in this Memorandum of Association bear the same meanings as those given in the Articles of Association of the Company.
-

THE COMPANIES ACT (AS REVISED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
SEVENTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
STRUCTURE THERAPEUTICS INC.

(adopted by a Special Resolution passed on January 19, 2023 and effective immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing the Company's Ordinary Shares)

TABLE A

The regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Act shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

- "Act"** means the Companies Act and every other law and regulation of the Cayman Islands for the time being in force concerning companies and affecting the Company;
- "ADS"** means an American Depositary Share representing the Company's Ordinary Shares.
- "Affiliate"** means in respect of a Person, any other Person that, directly or indirectly, through (1) one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law, a trust for the benefit of any of the foregoing, a company, partnership or any natural person or entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any natural person or entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty percent (50%) of the voting power of the corporation, or the partnership or other entity (other than, in the case of corporation, shares having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;
- "Articles"** means these articles of association of the Company, as amended or substituted from time to time;
- "Board"** and **"Board of Directors"** means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof; and **"Directors"**
-

“Chairman”	means the chairman of the Board of Directors;
“Class” or “Classes”	means any class or classes of Shares as may from time to time be issued by the Company;
“Commission”	means the Securities and Exchange Commission of the United States or any other federal agency for the time being administering the Securities Act;
“Communications Facilities”	means technology (including without limitation video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or other video-communications, internet or online conferencing application or telecommunications facilities) by which natural persons are capable of hearing and being heard by each other;
“Company”	means Structure Therapeutics Inc., a Cayman Islands exempted company;
“Companies Act”	means the Companies Act (As Revised) of the Cayman Islands and any statutory amendment or re-enactment thereof;
“Company’s Website”	means the website of the Company, the address or domain name of which has been disclosed in any registration statement filed by the Company with the Commission in connection with its initial public offering of ADSs, or which has otherwise been notified to Shareholders;
“Designated Stock Exchange”	means the stock exchange in the United States that the Shares or ADSs are listed for trading;
“Designated Stock Exchange Rules”	means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares or ADSs on the Designated Stock Exchange;
“electronic”	has the meaning given to it in the Electronic Transactions Act and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
“electronic communication”	means electronic posting to the Company’s Website, transmission to any number, electronic mail address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;
“Electronic Transactions Act”	means the Electronic Transactions Act (As Revised) of the Cayman Islands and any statutory amendment or re-enactment thereof;
“electronic record”	has the meaning given to it in the Electronic Transactions Act and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
“Exchange Act”	means the Securities Exchange Act of 1934 of the United States, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
“Independent Director”	means a Director who is an independent director as defined in the Designated Stock Exchange Rules;
“Interested Director”	means a Director who has a direct or indirect interest in any contract, business or arrangement in which the Company or its Affiliates is a party or becomes a party to;
“Memorandum of Association”	means the memorandum of association of the Company, as amended or substituted from time to time;
“Ordinary Resolution”	means a resolution passed by a simple majority of the votes of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company held in accordance with these Articles;

“Ordinary Share”	means an ordinary share in the capital of the Company of US\$0.0001 nominal or par value designated as an Ordinary Share and having the rights provided for under these Articles;
“paid up”	means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;
“Person”	means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
“Present”	means, in respect of any Person, such Person’s presence at a general meeting of Shareholders, which may be satisfied by means of such Person or, if a corporation or other non-natural Person, its duly authorized representative (or, in the case of any Shareholder, a proxy which has been validly appointed by such Shareholder in accordance with these Articles), being: (a) physically present at the venue specified in the notice convening the meeting; or (b) in the case of any meeting at which Communications Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by Communication Facilities in accordance with procedures specified in the notice convening such general meeting; and “Presence” shall be construed accordingly;
“Register”	means the register of Shareholders of the Company maintained in accordance with the Companies Act;
“Registered Office”	means the registered office of the Company as required by the Companies Act;
“Seal”	means the common seal of the Company (if adopted) including any facsimile thereof;
“Secretary”	means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;
“Securities Act”	means the Securities Act of 1933 of the United States, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
“Share”	means a share in the capital of the Company. All references to “Shares” herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression “Share” shall include a fraction of a Share;
“Shareholder”	means a Person who is registered as the holder of Shares in the Register;
“Share Premium Account”	means the share premium account established in accordance with these Articles and the Companies Act;
“signed”	means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;
“Special Resolution”	means a special resolution of the Company passed in accordance with the Act, being a resolution passed by a majority of not less than two-thirds of the votes of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given;
“Treasury Share”	means a Share held in the name of the Company as a treasury share in accordance with the Companies Act;
“United States”	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
“Virtual Meeting”	means any general meeting of the Shareholders at which the Shareholders (and any other permitted participants of such meeting, including without limitation the chairman of the meeting and any Directors) are permitted to be Present solely by means of Communications Facilities; and
“year”	means calendar year.

2. In these Articles, save where the context requires otherwise:
- (a) words importing the singular number shall include the plural number and vice versa;
 - (b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;
 - (c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
 - (d) reference to a dollar or dollars (or US\$) and to a cent or cents is reference to dollars and cents of the United States;
 - (e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;
 - (f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;
 - (g) reference to “in writing” shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing including in the form of an electronic record or partly one and partly another;
 - (h) any requirements as to delivery under the Articles include delivery in the form of an electronic record or an electronic communication;
 - (i) any requirements as to execution or signature under the Articles, including the execution of the Articles themselves, can be satisfied in the form of an electronic signature as defined in the Electronic Transaction Act; and
 - (j) Sections 8 and 19(3) of the Electronic Transactions Act shall not apply.
3. Subject to the last two preceding Articles, any words defined in the Companies Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.
5. The Registered Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.
6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.
7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Registered Office.
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SHARES

8. Subject to these Articles and, where applicable, the Designated Stock Exchange Rules, all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Shareholders, cause the Company to:
- (a) allot, issue and dispose of Shares (including, without limitation, preferred shares) (whether in certificated form or non-certificated form) to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;
 - (b) grant rights over existing Shares or issue other securities in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and
 - (c) grant options with respect to Shares and issue warrants or similar instruments with respect thereto.
9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by a Special Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate. Notwithstanding Article 13, the Directors may issue from time to time, out of the authorised share capital of the Company (other than the authorised but unissued Ordinary Shares), series of preferred shares which may carry rights more preferential than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate in their absolute discretion and without approval of the Shareholders; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:
- (a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;
 - (b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;
 - (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;
 - (d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;
 - (e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Shareholders upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;
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- (f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;
- (g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;
- (h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;
- (i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and
- (j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

- 10. The Company shall not issue Shares to bearer.
- 11. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.
- 12. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

MODIFICATION OF RIGHTS

- 13. Whenever the capital of the 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 materially adversely varied with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that Class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not Present, those Shareholders who are Present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one (1) vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.
 - 14. 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 materially adversely varied by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely varied by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.
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CERTIFICATES

15. Unless and until the Directors resolve to issue share certificates, no share certificate shall be issued, and the records of the shareholdings of each Shareholder shall be in uncertificated book entry form. If the Directors do resolve to issue share certificates in respect of any one or more classes of Shares, then every Shareholder holding such Shares shall be entitled, upon written request only, to a certificate signed by a Director or Secretary, or any other person authorised by a resolution of the Directors, or under the Seal specifying the number of Shares held by him and the signature of the Director, Secretary or authorised person and the Seal may be facsimiles or affixed by electronic means. Any Shareholder receiving a certificate shall indemnify and hold the Company and its Directors and Officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any Person by virtue of the possession thereof.
16. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.
17. Any two or more certificates representing Shares of any one Class held by any Shareholder may at the Shareholder's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of US\$1.00 or such smaller sum as the Directors shall determine.
18. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Shareholder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
19. In the event that Shares are held jointly by several Persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders. The Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all.

FRACTIONAL SHARES

20. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

21. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it, including but not limited to dividends.
 22. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen (14) calendar days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.
 23. For giving effect to any such sale the Directors may authorise a Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
 24. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.
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CALLS ON SHARES

25. Subject to the terms of the allotment, the Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen (14) calendar days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.
26. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.
27. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent (8%) per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
28. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
29. The Directors may make arrangements with respect to the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.
30. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors. No such sum paid in advance of calls shall entitle the Shareholder paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

31. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
 32. The notice shall name a further day (not earlier than the expiration of fourteen (14) calendar days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited.
 33. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.
 34. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
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35. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.
36. A certificate in writing under the hand of a Director of the Company that a Share has been duly forfeited on a date stated in the certificate, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.
37. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.
38. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

39. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.
 40. (a) The Directors may in their absolute discretion decline to register any transfer of Shares which is not fully paid up or on which the Company has a lien.
(b) The Directors may also decline to register any transfer of any Share unless:
 - (i) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any), for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (ii) the instrument of transfer is in respect of only one Class of Shares;
 - (iii) the instrument of transfer is properly stamped, if required;
 - (iv) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four;
 - (v) the Shares transferred are free of any lien in favour of the Company; and
 - (vi) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable, or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.
 41. The registration of transfers may, on ten (10) 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 Designated Stock Exchange Rules, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfers shall not be suspended nor the Register closed for more than thirty (30) calendar days in any year.
 42. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within three (3) months after the date on which the transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.
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TRANSMISSION OF SHARES

43. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognised by the Company as having any title to the Share.
44. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.
45. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety (90) calendar days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

46. The Company shall be entitled to charge a fee not exceeding one dollar (US\$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

47. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.
 48. The Company may by Ordinary Resolution:
 - (a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;
 - (b) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;
 - (c) subdivide its existing Shares, or any of them into Shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and
 - (d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.
 49. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by the Act.
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REDEMPTION, PURCHASE AND SURRENDER OF SHARES

50. Subject to the provisions of the Companies Act and these Articles, the Company may:
- (a) issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of Shares shall be effected in such manner and upon such terms as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Special Resolution;
 - (b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner and terms as have been approved by the Board or by the Shareholders by Ordinary Resolution, or are otherwise authorised by these Articles; and
 - (c) make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Act, including out of capital.
51. The purchase of any Share shall not oblige the Company to purchase any other Share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.
52. The holder of the Shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.
53. The Directors may accept the surrender for no consideration of any fully paid Share.

TREASURY SHARES

54. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.
55. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).
56. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Shareholders on a winding up) may be declared or paid in respect of a Treasury Share.
57. The Company shall be entered in the Register as the holder of the Treasury Shares provided that:
- (a) the Company shall not be treated as a Shareholder for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
 - (b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Act, save that an allotment of Shares as fully paid bonus shares in respect of a Treasury Share is permitted and Shares allotted as fully paid bonus shares in respect of a treasury share shall be treated as Treasury Shares.
58. Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

GENERAL MEETINGS

59. All general meetings other than annual general meetings shall be called extraordinary general meetings.
60. (a) The Company may in each year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.
- (b) At these meetings a report of the Directors (if any) may be presented.
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61. (a) The Chairman or a majority of the Directors may call general meetings, and they shall on a Shareholders' requisition forthwith proceed to convene an extraordinary general meeting of the Company.
- (b) A Shareholders' requisition is a request of Shareholders holding at the date of deposit of the request in aggregate not less than one-third (1/3) of the aggregate number of votes attaching to all issued and outstanding Shares of the Company as at the date of the deposit carries the right of voting at general meetings of the Company.
- (c) Subject to Article 62, the requisition must state the objects of the meeting and must be signed by the Shareholders that made the request (the "**Requisitionists**") and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more Requisitionists.
- (d) If the Directors do not within twenty-one (21) calendar days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one (21) calendar days, the Requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three (3) months after the expiration of the said twenty-one (21) calendar days.
- (e) A general meeting convened as aforesaid by Requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.
62. (a) Other than proposals sought to be included in the Company's proxy materials pursuant to Rule 14a-8 under the Exchange Act, Shareholders seeking to bring business before the annual general meeting or to nominate candidates for election as Directors at the annual general meeting must deliver notice to the Secretary at the Company's principal executive offices not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the immediately preceding year's annual general meeting, *provided, however*, that, in the event that the date of the annual general meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual general meeting, notice by the Shareholder to be timely must be so received (A) not earlier than the close of business on the 120th day prior to such annual general meeting and (B) not later than the close of business on the later of the 90th day prior to such annual general meeting or, if later than the 90th day prior to such annual general meeting, the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall an adjournment of an annual general meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a Shareholder's notice as described above.
- (b) Notwithstanding anything to the contrary in these Articles, unless otherwise required by the Act, if any Shareholder (i) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act with respect to any proposed nominee and (ii) subsequently (x) fails to comply with the requirements of Rule 14a-19 promulgated under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Company that such Shareholder has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the next sentence), or (y) fails to inform the Company that they no longer plan to solicit proxies in accordance with the requirements of Rule 14a-19 under the Exchange Act by delivering a written notice to the Secretary at the principal executive offices of the Company within two (2) business days after the occurrence of such change, then the nomination of each such proposed nominee shall be disregarded, notwithstanding that the nominee is included in the Company's proxy statement, notice of meeting or other proxy materials for any annual general meeting and notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the Company (which proxies and votes shall be disregarded). Upon request by the Company, if any Shareholder provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act, such Shareholder shall deliver to the Company, no later than five business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.
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NOTICE OF GENERAL MEETINGS

63. At least ten (10) calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
- (a) in the case of an annual general meeting by all the Shareholders (or their proxies) entitled to attend and vote thereat; and
 - (b) in the case of an extraordinary general meeting by two-thirds (2/3rds) of the Shareholders (or their proxies) having a right to attend and vote at the meeting, Present at the meeting.
64. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

65. No business except for the appointment of a chairman for the meeting shall be transacted at any general meeting unless a quorum of Shareholders is Present at the time when the meeting proceeds to business. One or more Shareholders holding Shares which carry in aggregate (or representing by proxy) not less than one-third (1/3) of all votes attaching to all Shares in issue and entitled to vote at such general meeting, Present at the meeting, shall be a quorum for all purposes.
66. If within half an hour from the time appointed for the meeting a quorum is not Present, the meeting shall be dissolved.
67. If the Directors so determine in respect of a specific general meeting or all general meetings of the Company, Presence at the relevant general meeting may be by means of Communications Facilities. The Directors may determine that any general meeting may be held as a Virtual Meeting. The notice of any general meeting at which Communications Facilities may be utilized (including any Virtual Meeting) must disclose the Communications Facilities that will be used, including the procedures to be followed by any Shareholder or other participant of the general meeting utilizing such Communications Facilities.
68. The Chairman (if any) shall preside as chairman at every general meeting of the Company.
69. If there is no Chairman, or if at any general meeting he is not Present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as chairman of the meeting, any Director or Person nominated by the Directors shall preside as chairman of that meeting, failing which the Shareholders Present shall choose any Person Present to be chairman of that meeting.
70. The chairman of any general meeting shall be entitled to participate at any such general meeting by Communication Facilities, and to act as the chairman of such general meeting, in which event the following provisions shall apply:
- (a) he shall be deemed to be Present at the general meeting; and
 - (b) if the Communication Facilities fail to enable the chairman of the general meeting to hear and be heard by other Persons participating in the meeting, the other Directors Present at the general meeting shall choose another Director Present to act as chairman of the general meeting for (or for the remainder of) the general meeting; *provided that* if no other Director is Present at the general meeting, or if all the Directors Present decline to take the chair, then the general meeting shall be automatically adjourned to the same day in the next week and at such time and place as shall be decided by the Directors.
71. The chairman may with the consent of any general meeting at which a quorum is Present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen (14) calendar days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
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72. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings Requisitioned by Requisitionists in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.
73. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the meeting or any Shareholder holding not less than ten percent (10%) of the votes attaching to the Shares Present, and unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.
74. If a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
75. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is required by these Articles or by the Act. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
76. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

77. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder Present at a general meeting of the Company, each have one vote and on a poll every Shareholder Present at the meeting shall have one (1) vote for each Ordinary Share of which such Shareholder is the holder.
 78. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.
 79. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote in respect of Shares carrying the right to vote held by him, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote in respect of such Shares by proxy.
 80. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.
 81. On a poll votes may be given either personally or by proxy.
 82. Each Shareholder, other than a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only appoint one proxy on a show of hand. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.
 83. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.
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84. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:
- (a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote; or
 - (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
 - (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to the secretary or to any Director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The chairman of the meeting may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

85. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
86. No action shall be taken by the Shareholders except at an annual or extraordinary general meeting called in accordance with these Articles and no action shall be taken by the Shareholders by written consent or electronic transmission.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

87. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DEPOSITARY AND CLEARING HOUSES

88. If a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) is a Shareholder of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such Person(s) as it thinks fit to act as its representative(s) at any general meeting of the Company or of any Class of Shareholders provided that, if more than one (1) Person is so authorised, the authorisation shall specify the number and Class of Shares in respect of which each such Person is so authorised. A Person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) could exercise if it were an individual Shareholder holding the number and Class of Shares specified in such authorisation, including the right to vote individually on a show of hands.

DIRECTORS

89. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than one Director, the exact number of Directors to be determined exclusively by resolutions adopted by a majority of the authorized number of Directors constituting the Board from time to time. For so long as Shares are listed on the Designated Stock Exchange, the Directors shall include such number of Independent Directors as applicable law, rules or regulations or the Designated Stock Exchange Rules require.
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- (b) The Directors shall be divided into three (3) classes designated as Class I, Class II and Class III, respectively. The number of Directors in each class shall be as nearly equal as possible. Directors shall be assigned to each class in accordance with a resolution or resolutions adopted by the Board of Directors. At the first annual general meeting of Shareholders after the effective date of these Articles, the term of office of the Class I Directors shall expire and Class I Directors appointed at such meeting shall be eligible for re-election for a full term of three (3) years. At the second annual general meeting of Shareholders after the effective date of these Articles, the term of office of the Class II Directors shall expire and Class II Directors appointed at such meeting shall be eligible for re-election for a full term of three (3) years. At the third annual general meeting of Shareholders after the effective date of these Articles, the term of office of the Class III Directors shall expire and Class III Directors at such meeting appointed shall be eligible for re-election for a full term of three (3) years. At each succeeding annual general meeting of Shareholders, Directors shall be eligible for re-election for a full term of three (3) years to succeed the Directors of the class whose terms expire at such annual general meeting. Notwithstanding the foregoing provisions of this Article, each Director shall hold office until the expiration of his term, until his successor shall have been duly elected and qualified or until his earlier death, resignation or removal. No decrease in the number of Directors constituting the board of Directors shall shorten the term of any incumbent Director.
 - (c) Subject to the rights of the holders of any series of preferred shares, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes, and any newly created directorships resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the Shareholders, except as otherwise provided by law, be filled only by the affirmative vote of a majority of the Directors then in office, even though less than a quorum of the Board of Directors, and not by the Shareholders. Any Director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the Director for which the vacancy was created or occurred and until such Director's successor shall have been elected and qualified.
 - (d) The Board of Directors shall have a Chairman (who shall be a Director) elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen (15) minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.
 - (e) The Company may by Ordinary Resolution appoint any person to be a Director.
 - (f) Subject to the Company's compliance with director nomination procedures required under the Designated Stock Exchange Rules as long as Shares are listed on the Designated Stock Exchange, the Board may appoint any person as a Director as an addition to the existing Board.
 - (g) An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Shareholders or re-appointment by the Board.
90. A Director may be removed from office by Ordinary Resolution, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement), however neither the Board of Directors nor any individual Director may be removed without cause. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than ten (10) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.
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91. The Board may, from time to time, and except as required by applicable law or the Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.
92. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a Shareholder of the Company shall nevertheless be entitled to attend and speak at general meetings.
93. Subject to the Company's compliance with the Designated Stock Exchange Rules the remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.
94. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR OR PROXY

95. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing director, and to act in such Director's place at any meeting of the Directors at which the appointing Director is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director of the Company and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.
96. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

POWERS AND DUTIES OF DIRECTORS

97. Subject to the Companies Act, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.
 98. Subject to these Articles, the Directors may from time to time appoint any natural person or corporation, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, chief executive officer, chief financial officer, one or more other executive officers, the office of president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any natural person or corporation so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases for any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.
 99. The Directors may appoint any natural person or corporation to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.
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100. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. For the avoidance of doubt, a committee may delegate such powers to a member or members of such committee, who shall in the exercise of the powers so delegated conform to any regulations that may be imposed on the committee by the Directors.
101. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an "Attorney" or "Authorised Signatory", respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.
102. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.
103. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any natural person or corporation to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such natural person or corporation.
104. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any natural person or corporation so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
105. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

106. The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

107. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.
 108. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.
 109. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.
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DISQUALIFICATION OF DIRECTORS

110. The office of Director shall be vacated, if the Director:
- (a) becomes bankrupt or makes any arrangement or composition with his creditors;
 - (b) dies or is found to be or becomes of unsound mind;
 - (c) resigns his office by notice in writing to the Company;
 - (d) without special leave of absence from the Board, is absent from meetings of the Board for three (3) consecutive meetings and the Board resolves that his office be vacated; or
 - (e) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

111. The Directors may meet together (either within or outside of the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. At any meeting of the Directors, each Director present in person or represented by his proxy or alternate shall be entitled to one (1) vote. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.
112. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute Presence in person at the meeting.
113. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, the quorum shall be a majority of Directors then in office. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be Present for the purposes of determining whether or not a quorum is Present.
114. A Director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or transaction which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made or transaction so consummated. Subject to the Designated Stock Exchange Rules, a Director may not vote in respect of any contract or transaction or proposed contract or transaction that he or she may be interested therein, but he or she may be counted in the quorum of any meeting of the Directors at which any such contract or transaction or proposed contract or transaction shall come before the meeting for consideration.
115. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his or her interest, may be counted in the quorum present at any meeting of the Directors whereat he or she or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged, but he or she may not vote on any such appointment or arrangement.
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116. Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company. A Director may be counted in the quorum present for the portion of any meeting of the Directors whereat he or she is appointed to act by himself or herself or through his or her firm in a professional capacity for the Company or whereat the terms of any such appointment are arranged, but he or she may not vote on any such appointment or arrangement.
117. The Directors shall cause minutes to be made for the purpose of recording:
- (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.
118. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding the absence of a Director or Directors (so long as a quorum was present) or that there may have been a technical defect in the proceedings.
119. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.
120. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.
121. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.
122. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.
123. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.
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PRESUMPTION OF ASSENT

124. A Director of the Company who is present at a meeting of the Board of Directors at which an action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by personal delivery, registered post, recognized overnight courier, or by electronic means with confirmation of receipt, to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS

125. Subject to any rights and restrictions for the time being attached to any Shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor. No dividend or distribution shall be payable except out of the profits of the Company, realized or unrealized, or out of the Share Premium Account or as otherwise permitted by the Act.
126. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
127. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
128. Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the Register, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. The Board may deduct from any dividend or distribution payable to any Shareholder all sums of money (if any) presently payable by such Shareholder to the Company on account of calls or otherwise.
129. The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets, may determine that cash payment shall be made to some Shareholders in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.
130. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.
131. If several Persons are registered as joint holders of any Share, any of them may give effective receipts for any dividend or other moneys payable on or in respect of the Share.
132. No dividend shall bear interest against the Company.
133. Any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited by the Board of Directors and, if so forfeited, shall revert to the Company.
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ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

134. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.
135. The books of account shall be kept at the Registered Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
136. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.
137. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.
138. Subject to compliance with the Designated Stock Exchange Rules and rules of the Commission the Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.
139. Every auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.
140. The auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Shareholders.
141. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Act and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

142. Subject to the Companies Act, the Directors may:
 - (a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), whether or not available for distribution;
 - (b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
 - (i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or
 - (ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;
 - (c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;
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- (d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:
- (i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or
 - (ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,
- and any such agreement made under this authority being effective and binding on all those Shareholders; and
- (e) generally do all acts and things required to give effect to the resolution.

143. Notwithstanding any provisions in these Articles, the Directors may resolve to capitalise an amount standing to the credit of reserves (including the share premium account, capital redemption reserve and profit and loss account) or otherwise available for distribution by applying such sum in paying up in full unissued Shares to be allotted and issued to:

- (a) employees (including Directors) or service providers of the Company or its subsidiaries or group companies upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Shareholders;
- (b) any trustee of any trust or administrator of any share incentive scheme or employee benefit scheme to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or Shareholders; or
- (c) any depository of the Company for the purposes of the issue, allotment and delivery by the depository of ADSs to employees (including Directors) or service providers of the Company or its subsidiaries or group companies upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Shareholders.

SHARE PREMIUM ACCOUNT

144. The Directors shall in accordance with the Companies Act establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

145. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Act, out of capital.

NOTICES

146. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it by airmail or air courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile to any facsimile number such Shareholder may have specified in writing for the purpose of such service of notices, or by placing it on the Company's Website should the Directors deem it appropriate provided that the Company has obtained the Shareholder's prior express positive confirmation in writing to receive notices in such manner. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

147. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.
148. Any Shareholder Present, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.
149. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served five (5) calendar days after the time when the letter containing the same is posted;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or
 - (d) electronic means, shall be deemed to have been served immediately (i) upon the time of the transmission to the electronic mail address supplied by the Shareholder to the Company or (ii) upon the time of its placement on the Company's Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

150. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

151. Notice of every general meeting of the Company shall be given to:

- (a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and
- (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

152. Subject to the relevant laws, rules and regulations applicable to the Company, no Shareholder shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Shareholders of the Company to communicate to the public.

153. Subject to the relevant laws, rules and regulations applicable to the Company, the Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholders including, without limitation, information contained in the Register and transfer books of the Company.
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INDEMNITY

154. Every Director (including for the purposes of this Article, any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) (each an "**Indemnified Person**") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs or in the execution or discharge of his duties, powers, authorities or discretions (including as a result of any mistake of judgment), including without prejudice to the generality of the foregoing, any costs, expenses (including reasonable attorneys' fees), losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere (the "**Indemnified Matters**").
155. Without prejudice to the generality of the foregoing, the Indemnified Matters include:
- (a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or
 - (b) for any loss on account of defect of title to any property of the Company; or
 - (c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or
 - (d) for any loss incurred through any bank, broker or other similar Person; or
 - (e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or
 - (f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, wilful default or fraud.

FINANCIAL YEAR

156. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

NON-RECOGNITION OF TRUSTS

157. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Act requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

158. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Act, divide amongst the Shareholders in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any asset upon which there is a liability.
159. If the Company shall be wound up, and the assets available for distribution amongst the Shareholders shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Shareholders in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the 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 the 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 the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
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AMENDMENT OF ARTICLES OF ASSOCIATION

160. Subject to the Companies Act, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

161. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case thirty (30) calendar days. If the Register shall be so closed for the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders the Register shall be so closed for at least ten (10) calendar days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.
162. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within ninety (90) calendar days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.
163. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

164. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

DISCLOSURE

165. The Directors, or any service providers (including the officers, the Secretary and the registered office agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.
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Structure Therapeutics Inc. - Ordinary Shares

(Incorporated under the laws of the Cayman Islands)

Number

Shares

Share Capital is US\$60,000 divided into 600,000,000 shares consisting of
(i) 500,000,000 Ordinary Shares of a par value of US\$0.0001 each;
(ii) 100,000,000 undesignated shares of a par value of US\$0.0001 each, of such class or classes
(however designated) as the board of directors may determine

THIS IS TO CERTIFY THAT

is the registered holder of

Ordinary Shares in the above-named Company subject to the Memorandum and Articles of Association thereof.

EXECUTED for and on behalf of the said Company on

by:

DIRECTOR

DEPOSIT AGREEMENT AMONG
STRUCTURE THERAPEUTICS INC.
JPMORGAN CHASE BANK, N.A., AS
DEPOSITARY,
AND
HOLDERS AND BENEFICIAL OWNERS OF
AMERICAN DEPOSITARY RECEIPTS



J.P.Morgan

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EXHIBIT A

FORM OF FACE OF ADR

Introductory Paragraph

- (1) Issuance of ADSs
- (2) Withdrawal of Deposited Securities
- (3) Transfers, Split-Ups and Combinations of ADRs
- (4) Certain Limitations to Registration, Transfer etc.
- (5) Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges
- (6) Disclosure of Interests
- (7) Charges of Depositary
- (8) Available Information
- (9) Execution

Signature of Depositary

Address of Depositary's Office

FORM OF REVERSE OF ADR

- (10) Distributions on Deposited Securities
- (11) Record Dates
- (12) Voting of Deposited Securities
- (13) Changes Affecting Deposited Securities
- (14) Exoneration
- (15) Resignation and Removal of Depositary; the Custodian
- (16) Amendment
- (17) Termination
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DEPOSIT AGREEMENT, dated as of _____, 2023 (the "**Deposit Agreement**"), among Structure Therapeutics Inc., a company incorporated under the laws of the Cayman Islands, and its successors (the "**Company**"), JPMORGAN CHASE BANK, N.A., a national banking association organized under the laws of the United States of America, as depositary hereunder (the "**Depositary**"), and all Holders (as defined below) and Beneficial Owners (as defined below) from time to time of American Depositary Receipts ("**ADRs**") issued hereunder evidencing American Depositary Shares ("**ADSs**") representing deposited Shares (as defined below). The Company hereby appoints the Depositary as depositary for the Deposited Securities (as defined below) and hereby authorizes and directs the Depositary to act in accordance with the terms set forth in this Deposit Agreement. All capitalized terms used herein have the meanings ascribed to them in Section 1 or elsewhere in this Deposit Agreement. The parties hereto agree as follows:

I. Certain Definitions.

(a) "**ADR Register**" is defined in paragraph (3) of the form of ADR (*Transfers, Split-Ups and Combinations of ADRs*).

(b) "**ADRs**" mean the American Depositary Receipts executed and delivered hereunder. ADRs may be either in physical certificated form or Direct Registration ADRs (as hereinafter defined). ADRs in physical certificated form, and the terms and conditions governing the Direct Registration ADRs, shall be substantially in the form of Exhibit A annexed hereto (the "**form of ADR**"). The term "**Direct Registration ADR**" means an ADR, the ownership of which is recorded on the Direct Registration System. References to "ADRs" shall include certificated ADRs and Direct Registration ADRs, unless the context otherwise requires. The form of ADR is hereby incorporated herein and made a part hereof; the provisions of the form of ADR shall be binding upon the parties hereto.

(c) Subject to paragraph (13) of the form of ADR (*Changes Affecting Deposited Securities*), each "**ADS**" evidenced by an ADR represents the right to receive, and to exercise the beneficial ownership interests in, the number of Shares specified in the form of ADR attached hereto as Exhibit A (as amended from time to time) that are on deposit with the Depositary and/or the Custodian and a pro rata share in any other Deposited Securities, subject, in each case, to the terms of this Deposit Agreement and the ADSs. The ADS(s)-to-Share(s) ratio is subject to amendment as provided in the form of ADR (which may give rise to fees contemplated in paragraph (7) thereof (*Charges of Depositary*)).

(d) "**Beneficial Owner**" means as to any ADS, any person or entity having a beneficial ownership interest in such ADS. A Beneficial Owner need not be the Holder of the ADR evidencing such ADS. If a Beneficial Owner of ADSs is not a Holder, it must rely on the Holder of the ADR(s) evidencing such ADSs in order to assert any rights or receive any benefits under this Deposit Agreement. The arrangements between a Beneficial Owner of ADSs and the Holder of the corresponding ADRs may affect the Beneficial Owner's ability to exercise any rights it may have.

(e) "**Commission**" means the United States Securities and Exchange Commission.

(f) "**Custodian**" means the agent or agents of the Depository (singly or collectively, as the context requires) and any additional or substitute Custodian appointed pursuant to Section 9.

(g) The terms "**deliver**," "**execute**," "**issue**," "**register**," "**surrender**," "**transfer**" or "**cancel**," when used with respect to (i) Shares refers, where the context requires, to an entry or entries or an electronic transfer or transfers in an account or accounts maintained by institutions authorized under applicable law to effect transfers of securities and not to the physical transfer of certificates representing the Shares and (ii) Direct Registration ADRs, shall refer to an entry or entries or an electronic transfer or transfers in the Direct Registration System, and, when used with respect to ADRs in physical certificated form, shall refer to the physical delivery, execution, issuance, registration, surrender, transfer or cancellation of certificates representing the ADRs.

(h) "**Delivery Order**" is defined in Section 3.

(i) "**Deposited Securities**" as of any time means all Shares at such time deposited under this Deposit Agreement and any and all other Shares, securities, property and cash at such time held by the Depository or the Custodian in respect or in lieu of such deposited Shares and other Shares, securities, property and cash. Deposited Securities are not intended to, and shall not, constitute proprietary assets of the Depository, the Custodian or their nominees. Beneficial ownership in Deposited Securities is intended to be, and shall at all times during the term of the Deposit Agreement continue to be, vested in the Beneficial Owners of the ADSs representing such Deposited Securities.

(j) "**Direct Registration System**" means the system for the uncertificated registration of ownership of securities established by The Depository Trust Company ("**DTC**") and utilized by the Depository pursuant to which the Depository may record the ownership of ADRs without the issuance of a certificate, which ownership shall be evidenced by periodic statements issued by the Depository to the Holders entitled thereto. For purposes hereof, the Direct Registration System shall include access to the Profile Modification System maintained by DTC, which provides for automated transfer of ownership between DTC and the Depository.

(k) "**Holder**" means the person or persons in whose name an ADR is registered on the ADR Register. For all purposes under the Deposit Agreement and the ADRs, a Holder shall be deemed to have all requisite authority to act on behalf of any and all Beneficial Owners of the ADSs evidenced by the ADR(s) registered in such Holder's name.

- (l) "**Removal Notice Date**" means the earliest date on which the Company provided notice of removal to the Depository pursuant to Section 12 of this Deposit Agreement.
- (m) "**Resignation Notice Date**" means the date on which the Depository first provided notice of its resignation to the Company pursuant to Section 12 of the Deposit Agreement.
- (n) "**Securities Act of 1933**" means the United States Securities Act of 1933, as from time to time amended.
- (o) "**Securities Exchange Act of 1934**" means the United States Securities Exchange Act of 1934, as from time to time amended.
- (p) "**Shares**" mean the ordinary shares of the Company, and shall include the rights to receive Shares specified in paragraph (1) of the form of ADR (*Issuance of ADSs*).

(q) "**Termination Date**" means the date this Deposit Agreement is terminated in accordance with paragraph (17) of the Form of ADR (*Termination*), which, for the avoidance of doubt, shall be either (i) the date fixed for termination in a notice of termination as contemplated therein or (ii) a date determined by the Depository in the case of a termination pursuant to the last sentence of the first paragraph of paragraph (17) of the Form of ADR.

(r) "**Transfer Office**" is defined in paragraph (3) of the form of ADR (*Transfers, Split-Ups and Combinations of ADRs*).

(s) "**Withdrawal Order**" is defined in Section 6.

2. Form of ADRs.

(a) *Direct Registration ADRs.* Notwithstanding anything in this Deposit Agreement or in the form of ADR to the contrary, ADSs shall be evidenced by Direct Registration ADRs, unless certificated ADRs are specifically requested by the Holder.

(b) *Certificated ADRs.* ADRs in certificated form shall be printed or otherwise reproduced at the discretion of the Depository in accordance with its customary practices in its American depository receipt business, or at the request of the Company typewritten and photocopied on plain or safety paper, and shall be substantially in the form set forth in the form of ADR, with such changes as may be required by the Depository or the Company to comply with their obligations hereunder, any applicable law, regulation or usage or to indicate any special limitations or restrictions to which any particular ADRs are subject. ADRs may be issued in denominations of any number of ADSs. ADRs in certificated form shall be executed by the Depository by the manual or facsimile signature of a duly authorized officer of the Depository. ADRs in certificated form bearing the facsimile signature of anyone who was at the time of execution a duly authorized officer of the Depository shall bind the Depository, notwithstanding that such officer has ceased to hold such office prior to the delivery of such ADRs.

(c) *Binding Effect.* Holders of ADRs, and the Beneficial Owners of the ADSs evidenced by such ADRs, shall each be bound by the terms and conditions of this Deposit Agreement and of the form of ADR, regardless of whether such ADRs are Direct Registration ADRs or certificated ADRs.

3. Deposit of Shares.

(a) *Requirements.* In connection with the deposit of Shares hereunder, the Depositary or the Custodian shall require a written order, in a form satisfactory to the Depositary, directing the Depositary to issue to, or upon the written order of, the person or persons designated in such order a Direct Registration ADR or ADRs evidencing the number of ADSs representing such deposited Shares (a "**Delivery Order**"). Shares presented for deposit shall, at the time of such deposit, be registered in the name of JPMorgan Chase Bank, N.A., as depositary for the benefit of holders of ADRs or in such other name as the Depositary shall direct. Deposited Securities shall be held by the Custodian for the account and to the order of the Depositary for the benefit of Holders of ADRs (to the extent not prohibited by law) at such place or places and in such manner as the Depositary shall determine. Notwithstanding anything else contained herein, in the form of ADR and/or in any outstanding ADSs, the Depositary, the Custodian and their respective nominees are intended to be, and shall at all times during the term of the Deposit Agreement be, the record holder(s) only of the Deposited Securities represented by the ADSs for the benefit of the Holders. The Depositary, on its own behalf and on behalf of the Custodian and their respective nominees, disclaims any beneficial ownership interest in the Deposited Securities held on behalf of the Holders.

(b) *Delivery of Deposited Securities.* Deposited Securities may be delivered by the Custodian to any person only under the circumstances expressly contemplated in this Deposit Agreement. To the extent that the provisions of or governing the Shares make delivery of certificates therefor impracticable, Shares may be deposited hereunder by such delivery thereof as the Depositary or the Custodian may reasonably accept, including, without limitation, by causing them to be credited to an account maintained by the Custodian for such purpose with the Company or an accredited intermediary, such as a bank, acting as a registrar for the Shares, together with delivery of the documents, payments and Delivery Order referred to herein to the Custodian or the Depositary.

4. Issue of ADRs. After any such deposit of Shares, the Custodian shall notify the Depositary of such deposit and of the information contained in any related Delivery Order by letter, first class airmail postage prepaid, or, at the request, risk and expense of the person making the deposit, by SWIFT, telex or facsimile transmission. After receiving such notice from the Custodian, the Depositary, subject to this Deposit Agreement, shall, properly issue at the Transfer Office, to or upon the order of any person named in such notice, an ADR or ADRs registered as requested and evidencing the aggregate ADSs to which such person is entitled.

5. Distributions on Deposited Securities. To the extent that the Depositary determines in its discretion that any distribution pursuant to paragraph (10) of the form of ADR (*Distributions on Deposited Securities*) is not practicable with respect to any Holder, the Depositary may make such distribution as it so deems practicable, including the distribution of foreign currency, securities or property (or appropriate documents evidencing the right to receive foreign currency, securities or property) or the retention thereof as Deposited Securities with respect to such Holder's ADRs (without liability for interest thereon or the investment thereof). To the extent the Depositary does not reasonably believe it will be permitted by applicable law, rule or regulation to convert foreign currency into U.S. dollars and distribute such U.S. dollars to some or all Holders, the Depositary may in its discretion distribute the foreign currency received by the Depositary to, or hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Holders entitled to receive the same. To the extent the Depositary holds such foreign currency, any and all costs and expenses related to, or arising from, the holding of such foreign currency shall be paid from such foreign currency thereby reducing the amount so held hereunder. In all instances where the Deposit Agreement or an ADR refers to a "public sale" or "private sale" (or words of similar import), (i) the Depositary shall not endeavor to effect any such public or private sale unless the securities to be sold are listed and publicly traded on a stock exchange and (ii) to the extent not so listed and publicly traded, the Depositary shall not conduct any auction, bidding or other sales process with respect thereto and, in lieu thereof, shall act in accordance with the termination provisions hereof. Furthermore, in the event the Depositary endeavors to make a public sale of Shares or other securities, such securities may be sold in a block sale/single lot transaction.

6. Withdrawal of Deposited Securities. In connection with any surrender of an ADR for withdrawal of the Deposited Securities represented by the ADSs evidenced thereby, the Depositary may require proper endorsement in blank of such ADR (or duly executed instruments of transfer thereof in blank) and the Holder's written order directing the Depositary to cause the Deposited Securities represented by the ADSs evidenced by such ADR to be withdrawn and delivered to, or upon the written order of, any person designated in such order (a "**Withdrawal Order**"). Directions from the Depositary to the Custodian to deliver Deposited Securities shall be given by letter, first class airmail postage prepaid, or, at the request, risk and expense of the Holder, by SWIFT, telex or facsimile transmission. Delivery of Deposited Securities may be made by the delivery of certificates (which, if required by law shall be properly endorsed or accompanied by properly executed instruments of transfer or, if such certificates may be registered, registered in the name of such Holder or as ordered by such Holder in any Withdrawal Order) or by such other means as the Depositary may deem practicable, including, without limitation, by transfer of record ownership thereof to an account designated in the Withdrawal Order maintained either by the Company or an accredited intermediary, such as a bank, acting as a registrar for the Deposited Securities. To the extent any instructions, input, consent, notice and/or other actions on the part of the Company are required in order for the Company or its share registrar and/or transfer agent to process Share delivery instructions, the Company shall not unreasonably withhold the provision of such instructions, input, consent or notice or the taking of any such other action. If the Company's share registrar and/or transfer agent refuses to process any Share delivery instructions, the Company will provide all reasonable cooperation to the Depositary in its efforts to cause such instructions to be processed. The obligations of the Company set forth in this Section 6 shall survive the termination of this Deposit Agreement until all ADSs issued by the Depositary have been cancelled.

7. Substitution of ADRs. The Depository shall execute and deliver a new Direct Registration ADR in exchange and substitution for any mutilated certificated ADR upon cancellation thereof or in lieu of and in substitution for such destroyed, lost or stolen certificated ADR, unless the Depository has notice that such ADR has been acquired by a bona fide purchaser, upon the Holder thereof filing with the Depository a request for such execution and delivery and a sufficient indemnity bond and satisfying any other reasonable requirements imposed by the Depository.

8. Cancellation and Destruction of ADRs; Maintenance of Records. All ADRs surrendered to the Depository shall be cancelled by the Depository. The Depository is authorized to destroy ADRs in certificated form so cancelled in accordance with its customary practices. The Depository agrees to maintain or cause its agents to maintain records of all ADRs surrendered and Deposited Securities withdrawn under Section 6 hereof and paragraph (2) of the form of ADR (Withdrawal of Deposited Securities), substitute ADRs delivered under Section 7 hereof, and canceled or destroyed ADRs under this Section 8, in keeping with the procedures ordinarily followed by stock transfer agents located in the United States or as required by the laws or regulations governing the Depository.

9. The Custodian.

(a) *Rights of the Depository.* Any Custodian in acting hereunder shall be subject to the directions of the Depository and shall be responsible solely to it. The Depository reserves the right to add, replace or remove a Custodian. The Depository will give prompt notice of any such action, which will be advance notice if practicable. The Depository may discharge any Custodian at any time upon notice to the Custodian being discharged.

(b) *Rights of the Custodian.* Any Custodian may resign from its duties hereunder by providing at least 30 days' prior written notice to the Depository. After the receipt of such written notice, the Depository shall endeavor to appoint a substitute custodian or custodians, if and to the extent the Depository determines, in its sole discretion, that a new and/or substitute custodian is required, each of which shall be a Custodian hereunder. Any Custodian ceasing to act hereunder as Custodian shall deliver, upon the instruction of the Depository, all Deposited Securities held by it to a Custodian continuing to act.

(c) Notwithstanding anything to the contrary contained in this Deposit Agreement (including the ADRs) and, subject to the further limitations set forth in clause (o) of paragraph (14) of the form of ADR (*Exoneration*), the Depository shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the Custodian except to the extent that any Holder has incurred liability directly as a result of the Custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the Depository or (ii) failed to use reasonable care in the provision of custodial services to the Depository as determined in accordance with the standards prevailing in the jurisdiction in which the Custodian is located.

10. **Lists of Holders.** The Company shall have the right to inspect transfer records of the Depositary and its agents and the ADR Register, take copies thereof and require the Depositary and its agents to supply copies of such portions of such records as the Company may request. The Depositary or its agents shall furnish to the Company promptly upon the written request of the Company, a list of the names, addresses and holdings of ADSs by all Holders as of a date within seven days of the Depositary's receipt of such request.

11. **Depositary's Agents.** The Depositary may perform its obligations under this Deposit Agreement through any agent appointed by it, provided that the Depositary shall notify the Company of such appointment and shall remain responsible for the performance of such obligations as if no agent were appointed, subject to paragraph (14) of the form of ADR (*Exoneration*).

12. Resignation and Removal of the Depositary; Appointment of Successor Depositary.

(a) *Resignation of the Depositary.* The Depositary may at any time resign as Depositary hereunder by written notice of its election to do so delivered to the Company, such resignation to take effect upon the appointment of a successor depositary and its acceptance of such appointment as hereinafter provided.

(b) *Removal of the Depositary.* The Depositary may at any time be removed by the Company by providing no less than 60 days' prior written notice of such removal to the Depositary, such removal to take effect on the later of (i) the 60th day after such notice of removal is first provided and (ii) the appointment of a successor depositary and its acceptance of such appointment as hereinafter provided.

If upon the resignation (under Section 12(a)) or removal (under this Section 12(b)) of the Depositary a successor depositary is not timely appointed as specified in paragraph (17) of the form of ADR (*Termination*), the Depositary may terminate this Deposit Agreement and the ADR and the provisions of said paragraph (17) shall thereafter govern the Depositary's obligations hereunder.

(c) *Appointment of Successor Depository.* If the Depository resigns or is removed, the Company shall use its best efforts to appoint a successor depository, which shall be a bank or trust company having an office in the Borough of Manhattan, The City of New York. Every successor depository shall execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor depository, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor. The predecessor depository, only upon payment of all sums due to it and on the written request of the Company, shall (i) execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder (other than its rights to indemnification and fees owing, each of which shall survive any such removal and/or resignation), (ii) duly assign, transfer and deliver all right, title and interest to the Deposited Securities to such successor, and (iii) deliver to such successor a list of the Holders of all outstanding ADRs. Any such successor depository shall promptly mail notice of its appointment to such Holders. Any bank or trust company into or with which the Depository may be merged or consolidated, or to which the Depository shall transfer substantially all its American depository receipt business, shall be the successor of the Depository without the execution or filing of any document or any further act.

13. Compliance with Securities Exchange Act of 1934 Reporting and Other Requirements; Reports. On or before the first date on which the Company makes any communication available to holders of Deposited Securities or any securities regulatory authority or stock exchange, by publication or otherwise, the Company shall transmit to the Depository a copy thereof in English or with an English translation or summary. The Company has delivered to the Depository, the Custodian and any Transfer Office, a copy of all provisions of or governing the Shares and any other Deposited Securities issued by the Company or any affiliate of the Company and, promptly upon any change thereto, the Company shall deliver to the Depository, the Custodian and any Transfer Office, a copy (in English or with an English translation) of such provisions as so changed. The Depository and its agents may rely upon the Company's delivery of all such communications, information and provisions for all purposes of this Deposit Agreement and the Depository shall have no liability for the accuracy or completeness of any thereof.

14. Additional Shares. The Company agrees with the Depository that neither the Company nor any company controlling, controlled by or under common control with the Company shall (a) issue (i) additional Shares, (ii) rights to subscribe for Shares, (iii) securities convertible into or exchangeable for Shares or (iv) rights to subscribe for any such securities or (b) deposit any Shares under this Deposit Agreement, except, in each case, under circumstances complying in all respects with the Securities Act of 1933. At the reasonable request of the Depository where it deems necessary, the Company will furnish the Depository with legal opinions, in forms and from counsels reasonably acceptable to the Depository, dealing with such issues requested by the Depository. The Depository will not knowingly accept for deposit hereunder any Shares required to be registered under the Securities Act of 1933 unless a registration statement is in effect and will use reasonable efforts to comply with written instructions of the Company not to accept for deposit hereunder any Shares identified in such instructions at such times and under such circumstances as may reasonably be specified in such instructions in order to facilitate the Company's compliance with the requirements of the securities laws, rules and regulations in the United States.

15. Indemnification.

(a) *Indemnification by the Company.* The Company shall indemnify, defend and save harmless each of the Depository, the Custodian and their respective directors, officers, employees, agents and affiliates against any loss, liability or expense (including reasonable fees and expenses of counsel) that may arise out of acts performed or omitted, in connection with the provisions of this Deposit Agreement and of the ADRs, as the same may be amended, modified or supplemented from time to time in accordance herewith (i) by either the Depository or a Custodian or their respective directors, officers, employees, agents and affiliates, except for any liability or expense directly arising out of the negligence or willful misconduct of the Depository or its directors, officers or affiliates acting in their capacities as such hereunder, or (ii) by the Company or any of its directors, officers, employees, agents and affiliates.

The indemnities set forth in the preceding paragraph shall also apply to any liability or expense that may arise out of any misstatement or alleged misstatement or omission or alleged omission in any registration statement, proxy statement, prospectus (or placement memorandum), or preliminary prospectus (or preliminary placement memorandum) relating to the offer, issuance, withdrawal, sale, resale or transfer of ADSs or the deposit, withdrawal, offer or sale, resale or transfer of Shares or any other report filed or furnished by the Company with the Commission, except to the extent any such liability or expense arises out of (i) information relating to the Depository or its agents (other than the Company), as applicable, furnished in writing by the Depository expressly for use in any of the foregoing documents and not changed or altered by the Company or any other person (other than the Depository) or (ii) if such information is provided, the failure by the Depository to state a material fact therein necessary to make the information provided, in light of the circumstances under which made or provided, not misleading.

(b) *Indemnification by the Depository.* Subject to the limitations provided for in Sections 9 and 15(c) below, the Depository shall indemnify, defend and save harmless the Company against any direct loss, liability or expense (including reasonable fees and expenses of counsel) incurred by the Company in respect of this Deposit Agreement to the extent such loss, liability or expense is due to the negligence or willful misconduct of the Depository.

(c) *Damages or Lost Profits.* Notwithstanding any other provision of this Deposit Agreement or the ADRs to the contrary, neither the Depository nor the Company, nor any of their respective agents shall be liable to the other for any indirect, special, punitive or consequential damages (excluding reasonable fees and expenses of counsel) or lost profits, in each case of any form (collectively, "**Special Damages**") incurred by any of them, or liable to any other person or entity (including, without limitation, Holders and Beneficial Owners) for any Special Damages, or any fees or expenses of counsel in connection therewith, whether or not foreseeable and regardless of the type of action in which such a claim may be brought; provided, however, that (i) notwithstanding the foregoing and, for the avoidance of doubt, the Depository and its agents shall be entitled to legal fees and expenses in defending against any claim for Special Damages and (ii) to the extent Special Damages arise from or out of a claim brought by a third party (including, without limitation, Holders and Beneficial Owners) against the Depository or any of its agents, the Depository and its agents shall be entitled to full indemnification from the Company for all such Special Damages, and reasonable fees and expenses of counsel in connection therewith, unless such Special Damages are found to have been a direct result of the gross negligence or willful misconduct of the Depository.

(d) *Notification.* Any person seeking indemnification hereunder (an "**indemnified person**") shall notify the person from whom it is seeking indemnification (the "**indemnifying person**") of the commencement of any indemnifiable action or claim as promptly as reasonably practical after such indemnified person becomes aware of such commencement (provided that the failure to make such notification shall not affect such indemnified person's rights to indemnification under this Section 15 except and only to the limited extent the indemnifying person is materially prejudiced by such failure through the forfeiture of substantive rights or defenses as a result of such failure; and provided, further, that the failure to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to an indemnified party otherwise than under this Section 15). No indemnifying person shall be liable for any settlement of any proceeding effected without its written consent (which consent shall not be unreasonably withheld, conditioned or delayed), but if settled with such indemnifying person's written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction in any such proceeding, the indemnifying person agrees to indemnify and hold harmless each indemnified person from and against any and all losses, claims, damages, liabilities and reasonable legal and other out-of-pocket expenses by reason of such settlement or judgment. No indemnifying person shall, without the prior written consent of any indemnified person, effect any settlement of any pending or threatened proceedings in respect of which indemnity could have been sought hereunder by such indemnified person unless such settlement (i) includes an unconditional release of such indemnified person in form and substance reasonably satisfactory to such indemnified person from all liability or claims that are the subject matter of such proceedings and (ii) does not include any statement as to or any admission of fault, culpability, wrong doing or a failure to act by or on behalf of any indemnified person.

(e) *Survival.* The obligations set forth in this Section 15 shall survive the termination of this Deposit Agreement and the succession or substitution of any indemnified person.

16. Notices.

(a) *Notice to Holders.* Notice to any Holder shall be deemed given when first mailed, first class postage prepaid, to the address of such Holder on the ADR Register or received by such Holder. Failure to notify a Holder or any defect in the notification to a Holder shall not affect the sufficiency of notification to other Holders or to the Beneficial Owners of the ADSs evidenced by the ADRs held by such other Holders. The Depository's only notification obligations under this Deposit Agreement and the ADRs shall be to Holders. Notice to a Holder shall be deemed, for all purposes of the Deposit Agreement and the ADRs, to constitute notice to any and all Beneficial Owners of the ADSs evidenced by such Holder's ADRs.

(b) *Notice to the Depository or the Company.* Notice to the Depository or the Company shall be deemed given when first received by it at the address or by electronic transmission to the e-mail address set forth in (i) or (ii), respectively, or at such other address or email address provided by the Depository or the Company to the other in writing, respectively, in the same manner as notices are required to be provided in this Section 16:

(i) JPMorgan Chase Bank, N.A.
383 Madison Avenue, Floor 11
New York, New York, 10179
Attention: Depository Receipts Group
E-mail Address: DR_Global_CSM@jpmorgan.com

(ii) Structure Therapeutics Inc.
611 Gateway Blvd., Suite 223
South San Francisco, CA 94080
Attention: Raymond Stevens, Ph.D. and Jun Yoon
E-mail Address: raymond.stevens@structuretx.com and jun.yoon@structuretx.com

Delivery of a notice by means of electronic messaging shall be deemed to be effective at the time of the initiation of the transmission by the sender (as shown on the sender's records) to the email address set forth above, notwithstanding that the intended recipient retrieves the message at a later date, fails to retrieve such message, or fails to receive such notice on account of its failure to maintain the designated e-mail address, its failure to designate a substitute e-mail address or for any other reason.

17. Counterparts. This Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one instrument. Delivery of an executed signature page of this Deposit Agreement by facsimile or other electronic transmission (including ".pdf", ".tif" or similar format) shall be effective as delivery of a manually executed counterpart hereof.

18. No Third-Party Beneficiaries; Holders and Beneficial Owners as Parties; Binding Effect. This Deposit Agreement is for the exclusive benefit of the Company, the Depository and the Holders and their respective successors hereunder, and, except to the extent specifically set forth in Section 15 of this Deposit Agreement, shall not give any legal or equitable right, remedy or claim whatsoever to any other person. The Holders and Beneficial Owners from time to time shall be parties to this Deposit Agreement and shall be bound by all of the provisions hereof. A Beneficial Owner shall only be able to exercise any right or receive any benefit hereunder solely through the Holder of the ADR(s) evidencing the ADSs owned by such Beneficial Owner.

19. Severability. If any provision contained in this Deposit Agreement or in the ADRs is, or becomes, invalid, illegal or unenforceable in any respect, the remaining provisions contained herein and therein shall in no way be affected thereby.

20. Governing Law; Consent to Jurisdiction.

(a) *Governing Law.* The Deposit Agreement, the ADSs and the ADRs shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to the application of the conflict of law principles thereof.

(b) *By the Company.* The Company irrevocably agrees that any legal suit, action or proceeding against or involving the Company brought by the Depository arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted in any state or federal court in New York, New York, and irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. The Company also irrevocably agrees that any legal suit, action or proceeding against or involving the Depository brought by the Company, arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted only in a state or federal court in New York, New York. Notwithstanding the foregoing, subject to the federal securities law carve-out set forth in Section 20(d) below, the Depository may institute and/or refer any such suit, action or proceeding to arbitration in accordance with the provisions of the Deposit Agreement, and thereupon any arbitral decision from such suit, action or proceeding shall be deemed final and binding.

(c) *By Holders and Beneficial Owners.* By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each irrevocably agree that any legal suit, action or proceeding against or involving Holders or Beneficial Owners brought by the Company or the Depository, arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted in a state or federal court in New York, New York, and by holding or owning an ADR or ADS or an interest therein each irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding.

By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each also irrevocably agree that any legal suit, action or proceeding against or involving the Depository and/or the Company brought by Holders or Beneficial Owners, arising out of or based upon this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, including, without limitation, claims under the Securities Act of 1933, may be only instituted in the United States District Court for the Southern District of New York (or in the state courts of New York County in New York if either (i) the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or (ii) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable). Notwithstanding the foregoing, subject to the federal securities law carve-out set forth in Section 20(d) below, the Depository may institute and/or refer any such suit, action or proceeding to arbitration in accordance with the provisions of the Deposit Agreement, and thereupon, any arbitral decision from such suit, action or proceeding shall be deemed final and binding.

(d) *Optional Arbitration.* Notwithstanding anything in this Deposit Agreement to the contrary, each of the parties hereto (i.e., the Company, the Depository and all Holders and Beneficial Owners) agrees that: (i) the Depository may, in its sole discretion, elect to institute any dispute, suit, action, controversy, claim or proceeding directly or indirectly based on, arising out of or relating to this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination (each, a "**Dispute**"; collectively, "**Disputes**") against any other party or parties hereto (including, without limitation, Disputes brought against Holders and Beneficial Owners), by having the Dispute referred to and finally resolved by an arbitration conducted under the terms set out below, and (ii) the Depository may in its sole discretion require, by written notice to the relevant party or parties, that any Dispute brought by any party or parties hereto (including, without limitation, Disputes brought by Holders and Beneficial Owners) against the Depository be referred to and finally settled by an arbitration conducted under the terms set out below; provided however, notwithstanding the Depository's written notice under this clause (ii), to the extent there are specific federal securities law violation aspects to any claims against the Company and/or the Depository brought by any Holder or Beneficial Owner, the federal securities law violation aspects of such claims brought by a Holder or Beneficial Owner against the Company and/or the Depository may, at the option of such Holder or Beneficial Owner, remain in federal or state court in New York, New York and all other aspects, claims, Disputes, legal suits, actions and/or proceedings brought by such Holder or Beneficial Owner against the Company and/or the Depository, including those brought along with, or in addition to, federal securities law violation claims, would be referred to arbitration in accordance herewith. Any such arbitration shall, at the Depository's election, be conducted 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) with the Hong Kong International Arbitration Centre serving as the appointing authority, in each case as amended by this Section 20(d), and the language of any such arbitration shall be English. A notice of arbitration may be mailed to the Company at its address last specified for notices under this Deposit Agreement, and, if applicable, to any Holders at their addresses on the ADR Register, which notice to any such Holder, for the avoidance of doubt, shall be deemed, for all purposes of the Deposit Agreement and the ADRs, including, without limitation, the arbitration provisions contained in this clause (d), to constitute notice to any and all Beneficial Owners of the ADSs evidenced by such Holder's ADRs. In any case where the Depository exercises its right to arbitrate hereunder, arbitration of the Dispute shall be mandatory and any pending litigation arising out of or related to such Dispute shall be stayed. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Notwithstanding anything contained herein to the contrary, and for the avoidance of doubt, the Company and all Holders and Beneficial Owners from time to time of ADRs issued hereunder (and any persons owning or holding interests in ADSs) agree that any federal or state court in New York, New York, shall have jurisdiction to hear and determine proceedings related to the enforcement of this arbitration provision and any arbitration award by the arbitrators contemplated and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such courts. Each of the parties hereto (i.e., the Company, the Depository and all Holders and Beneficial Owners) agrees not to challenge the terms and enforceability of this arbitration clause, including, but not limited to, any challenge based on lack of mutuality, and each such party hereby irrevocably waives any such challenge. The number of arbitrators shall be three, each of whom shall (x) be disinterested in the Dispute, (y) have no connection with any party thereto, and (z) be an attorney experienced in international securities transactions. The Company and the Depository shall each appoint one arbitrator, and the two arbitrators shall select a third arbitrator who shall serve as chairperson of the tribunal. If a Dispute shall involve more than two parties, the parties shall attempt to align themselves in two sides (i.e., claimant and respondent), each of which shall appoint one arbitrator as if there were only two parties to such Dispute. If either or both parties fail to select an arbitrator, or if such alignment (in the event there are more than two parties) shall not have occurred, within thirty (30) calendar days after the Depository serves the arbitration demand or the two arbitrators fail to select a third arbitrator within thirty (30) calendar days of the selection of the second arbitrator, the American Arbitration Association in the case of an arbitration in New York, or the Hong Kong International Arbitration Centre in the case of an arbitration in Hong Kong, shall appoint the remaining arbitrator or arbitrators in accordance with its rules. The parties and the American Arbitration Association and/or the Hong Kong International Arbitration Centre, as the case may be, may appoint the arbitrators from among the nationals of any country, whether or not the appointing party or any other party to the arbitration is a national of that country. The arbitrators shall have no authority to award (A) damages against any party not measured by the prevailing party's actual damages or (B) any consequential, special or punitive damages against any party and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Deposit Agreement. In all cases, the fees of the arbitrators and other costs incurred by the parties in connection with such arbitration shall be paid by the party (or parties) that is (or are) unsuccessful in such arbitration. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, or to include in any arbitration any dispute as a representative or member of a class, or act in any arbitration in the interest of the general public or in a private attorney general capacity.

(e) Notwithstanding the foregoing or anything in this Deposit Agreement to the contrary, any suit, action or proceeding against the Company based on this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby, may be instituted by the Depository in any competent court in the United States and/or any other court of competent jurisdiction, or, subject to the federal securities law carve-out set forth in Section 20(d) above, by the Depository through the commencement of an arbitration pursuant to Section 20(d) of this Deposit Agreement.

21. Agent for Service.

(a) *Appointment.* The Company has appointed its Chief Executive Officer, as the same may change from time to time, at Structure Therapeutics Inc., 611 Gateway Blvd., Suite 223, South San Francisco, CA 94080, as its authorized agent (the "**Authorized Agent**") upon which process may be served in any such suit, action or proceeding arising out of or based on this Deposit Agreement, the ADSs, the ADRs or the transactions contemplated herein, therein, hereby or thereby which may be instituted in any state or federal court in New York, New York by the Depository or any Holder, and waives any other requirements of or objections to personal jurisdiction with respect thereto. Subject to the Company's rights to replace the Authorized Agent with another entity in the manner required were the Authorized Agent to have resigned, such appointment shall be irrevocable.

(b) *Agent for Service of Process.* The Company represents and warrants that the Authorized Agent has agreed to act as said agent for service of process and/or notice of arbitration, and the Company agrees to take any and all action, including the filing of any and all documents and instruments, that may be necessary to continue such appointment in full force and effect as aforesaid. The Company further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any suit, action or proceeding (including arbitration) against the Company, by service by mail of a copy thereof upon the Authorized Agent (whether or not the appointment of such Authorized Agent shall for any reason prove to be ineffective or such Authorized Agent shall fail to accept or acknowledge such service), with a copy mailed to the Company by registered or certified air mail, postage prepaid, to its address provided in Section 16(b) hereof. The Company agrees that the failure of the Authorized Agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment or award rendered in any suit, action or proceeding based thereon. If, for any reason, the Authorized Agent named above or its successor shall no longer serve as agent of the Company to receive service of process, notice or papers in New York, the Company shall promptly appoint a successor that is a legal entity with offices in New York, New York, so as to serve and will promptly advise the Depository thereof.

(c) *Waiver of Personal Service of Process.* In the event the Company fails to continue such designation and appointment in full force and effect, the Company hereby waives personal service of process upon it and consents that any such service of process may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices hereunder, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

22. **Waiver of Immunities.** To the extent that the Company or any of its properties, assets or revenues may have or may hereafter be entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, including any arbitration, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment or arbitration award, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or other matters under or arising out of or in connection with the Shares or Deposited Securities, the ADSs, the ADRs or this Deposit Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to such relief and enforcement.

23. **Waiver of Jury Trial.** EACH PARTY TO THIS DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH HOLDER AND BENEFICIAL OWNER OF, AND/OR HOLDER OF INTERESTS IN, ADSS OR ADRS) HEREBY 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, BASED ON OR RELATING IN ANY WAY TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE ADSs OR THE ADRs, THE DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF (WHETHER BASED ON CONTRACT, TORT, COMMON LAW OR ANY OTHER THEORY), INCLUDING, WITHOUT LIMITATION, ANY SUIT, ACTION, CLAIM OR PROCEEDING UNDER THE UNITED STATES FEDERAL SECURITIES LAWS. No provision of this Deposit Agreement or any ADR is intended to constitute a waiver or limitation of any rights which a Holder or any Beneficial Owner may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

[Signature page follows]

IN WITNESS WHEREOF, STRUCTURE THERAPEUTICS INC. and JPMORGAN CHASE BANK, N.A. have duly executed this Deposit Agreement as of the day and year first above set forth and all Holders and Beneficial Owners shall become parties hereto upon acceptance by them of ADSs issued in accordance with the terms hereof, or upon acquisition of any beneficial interest therein.

STRUCTURE THERAPEUTICS INC.

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.

By: _____
Name:
Title:

[Signature Page to Deposit Agreement]

EXHIBIT A
ANNEXED TO AND INCORPORATED IN
DEPOSIT AGREEMENT

[FORM OF FACE OF ADR]

No. of ADSs:

Each ADS represents
Three Shares

CUSIP:

Number

AMERICAN DEPOSITARY RECEIPT

evidencing

AMERICAN DEPOSITARY SHARES

representing

ORDINARY SHARES

of

STRUCTURE THERAPEUTICS INC.

(Incorporated under the laws of the Cayman Islands)

JPMORGAN CHASE BANK, N.A., a national banking association organized under the laws of the United States of America, as depositary hereunder (the "**Depositary**"), hereby certifies that is the registered owner (a "**Holder**") of American Depositary Shares ("**ADSs**"), each (subject to paragraph (13) (*Changes Affecting Deposited Securities*)) representing three ordinary shares (including the rights to receive Shares described in paragraph (1) (*Issuance of ADSs*), "**Shares**" and, together with any other securities, cash or property from time to time held by the Depositary in respect or in lieu of deposited Shares, the "**Deposited Securities**"), of Structure Therapeutics Inc., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "**Company**"), deposited under the Deposit Agreement, dated as of _____, 2023 (as amended from time to time, the "**Deposit Agreement**"), among the Company, the Depositary and all Holders and Beneficial Owners from time to time of American Depositary Receipts issued thereunder ("**ADRs**"), each of whom by accepting an ADR becomes a party thereto. The Deposit Agreement and this ADR (which includes the provisions set forth on the reverse hereof) shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to the application of the conflict of law principles thereof. All capitalized terms used herein, and not defined herein, shall have the meanings ascribed to such terms in the Deposit Agreement.

(1) **Issuance of ADSs.**

(a) *Issuance.* This ADR is one of the ADRs issued under the Deposit Agreement. Subject to the other provisions hereof, the Depositary may so issue ADRs for delivery at the Transfer Office (as hereinafter defined) only against deposit of: (i) Shares in a form satisfactory to the Custodian; or (ii) rights to receive Shares from the Company or any registrar, transfer agent, clearing agent or other entity recording Share ownership or transactions. At the request, risk and expense of the person depositing Shares, the Depositary may accept deposits for forwarding to the Custodian and may deliver ADRs at a place other than its office.

(b) *Lending.* In its capacity as Depositary, the Depositary shall not lend Shares or ADSs.

(c) *Representations and Warranties of Depositors.* Every person depositing Shares under the Deposit Agreement represents and warrants that:

- (i) such Shares and the certificates therefor are duly authorized, validly issued and outstanding, fully paid, nonassessable and legally obtained by such person,
- (ii) all pre-emptive and comparable rights, if any, with respect to such Shares have been validly waived or exercised,
- (iii) the person making such deposit is duly authorized so to do,
- (iv) the Shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim and
- (v) such Shares (A) are not "restricted securities" as such term is defined in Rule 144 under the Securities Act of 1933 ("**Restricted Securities**") unless at the time of deposit the requirements of paragraphs (c), (e), (f) and (h) of Rule 144 shall not apply and such Shares may be freely transferred and may otherwise be offered and sold freely in the United States or (B) have been registered under the Securities Act of 1933. To the extent the person depositing Shares is an "affiliate" of the Company as such term is defined in Rule 144, the person also represents and warrants that upon the sale of the ADSs, all of the provisions of Rule 144 that enable the Shares to be freely sold (in the form of ADSs) will be fully complied with and, as a result thereof, all of the ADSs issued in respect of such Shares will not be on the sale thereof, Restricted Securities.

Such representations and warranties shall survive the deposit and withdrawal of Shares and the issuance and cancellation of ADSs in respect thereof and the transfer of such ADSs.

(d) The Depositary may refuse to accept for such deposit any Shares identified by the Company in order to facilitate compliance with the requirements of the securities laws, rules and regulations of the United States, including, without limitation, the Securities Act of 1933 and the rules and regulations made thereunder.

(2) **Withdrawal of Deposited Securities.** Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer etc.*) and (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges*), upon surrender of (a) a certificated ADR in a form satisfactory to the Depositary at the Transfer Office or (b) proper instructions and documentation in the case of a Direct Registration ADR, the Holder hereof is entitled to delivery at, or to the extent in dematerialized form from, the Custodian's office of the Deposited Securities at the time represented by the ADSs evidenced by this ADR. At the request, risk and expense of the Holder hereof, the Depositary may deliver such Deposited Securities at such other place as may have been requested by the Holder. Notwithstanding any other provision of the Deposit Agreement or this ADR, the withdrawal of Deposited Securities may be restricted only for the reasons set forth in General Instruction I.A.(1) of Form F-6 (as such instructions may be amended from time to time) under the Securities Act of 1933.

(3) **Transfers, Split-Ups and Combinations of ADRs.** The Depositary or its agent will keep, at a designated transfer office (the "**Transfer Office**"), (a) a register (the "**ADR Register**") for the registration, registration of transfer, combination and split-up of ADRs, and, in the case of Direct Registration ADRs, shall include the Direct Registration System, which at all reasonable times will be open for inspection by Holders and the Company for the purpose of communicating with Holders in the interest of the business of the Company or a matter relating to the Deposit Agreement and (b) facilities for the delivery and receipt of ADRs. The term ADR Register includes the Direct Registration System. Title to this ADR (and to the Deposited Securities represented by the ADSs evidenced hereby), when properly endorsed (in the case of ADRs in certificated form) or upon delivery to the Depositary of proper instruments of transfer, is transferable by delivery with the same effect as in the case of negotiable instruments under the laws of the State of New York; provided that the Depositary, notwithstanding any notice to the contrary, may treat the person in whose name this ADR is registered on the ADR Register as the absolute owner hereof for all purposes and neither the Depositary nor the Company will have any obligation or be subject to any liability under the Deposit Agreement or any ADR to any Beneficial Owner, unless such Beneficial Owner is the Holder hereof. Subject to paragraphs (4) and (5), this ADR is transferable on the ADR Register and may be split into other ADRs or combined with other ADRs into one ADR, evidencing the aggregate number of ADSs surrendered for split-up or combination, by the Holder hereof or by duly authorized attorney upon surrender of this ADR at the Transfer Office properly endorsed (in the case of ADRs in certificated form) or upon delivery to the Depositary of proper instruments of transfer and duly stamped as may be required by applicable law; provided that the Depositary may close the ADR Register or any portion thereof at any time or from time to time when deemed expedient by it. Additionally, at the reasonable request of the Company, the Depositary may close the issuance book portion of the ADR Register solely in order to enable the Company to comply with applicable law; provided, that the Depositary shall have no liability and shall be indemnified by the Company in such event. At the request of a Holder, the Depositary shall, for the purpose of substituting a certificated ADR with a Direct Registration ADR, or vice versa, execute and deliver a certificated ADR or a Direct Registration ADR, as the case may be, for any authorized number of ADSs requested, evidencing the same aggregate number of ADSs as those evidenced by the certificated ADR or Direct Registration ADR, as the case may be, substituted.

(4) **Certain Limitations to Registration, Transfer, etc.** Prior to the issue, registration, registration of transfer, split-up or combination of any ADR, the delivery of any distribution in respect thereof, or, subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), the withdrawal of any Deposited Securities, and from time to time in the case of clause (b)(ii) of this paragraph (4), the Company, the Depositary or the Custodian may require:

(a) 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 charges as provided in paragraph (7) (*Charges of Depositary*) of this ADR;

(b) 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 or other ownership of, or interest in, any securities, compliance with applicable law, regulations, provisions of or governing Deposited Securities and terms of the Deposit Agreement and this ADR, as it may deem necessary or proper; and

(c) 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, subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), the withdrawal of Deposited Securities 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.

(5) Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges.

(a) *Liability for Taxes.* If any tax or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the Custodian or the Depository with respect to this ADR, any Deposited Securities represented by the ADSs evidenced hereby or any distribution thereon, such tax or other governmental charge shall be paid by the Holder hereof to the Depository and by holding or owning, or having held or owned, this ADR or any ADSs evidenced hereby, the Holder and all Beneficial Owners hereof and thereof, and all prior Holders and Beneficial Owners hereof and thereof, jointly and severally, agree to indemnify, defend and save harmless each of the Depository, the Company and each of their respective agents in respect of such tax or other governmental charge.

Neither the Depository nor the Company, nor any of their respective agents, shall be liable to Holders or Beneficial Owners of the ADSs and ADRs for failure of any of them to comply with applicable tax laws, rules and/or regulations. Notwithstanding the Depository's right to seek payment from current and former Beneficial Owners, the Holders hereof (and all prior Holders hereof) acknowledge and agree that the Depository has no obligation to seek payment of amounts owing under this paragraph (5) from any current or former Beneficial Owner. The Depository may refuse to effect any registration, registration of transfer, split-up or combination hereof or, subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), any withdrawal of such Deposited Securities until such payment is made.

The Depository may also deduct from any distributions on or in respect of Deposited Securities, or may sell by public or private sale for the account of the Holder hereof any part or all of such Deposited Securities, and may apply such deduction or the proceeds of any such sale in payment of such tax or other governmental charge, the Holder hereof remaining liable for any deficiency, and shall reduce the number of ADSs evidenced hereby to reflect any such sales of Shares. In connection with any distribution to Holders, the Company will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by the Company; and the Depository and the Custodian will remit to the appropriate governmental authority or agency all amounts (if any) required to be withheld and owing to such authority or agency by the Depository or the Custodian. To the extent not prohibited by law, rule, regulation, fiduciary duty, contractual or confidential obligation or otherwise, the Depository will forward to the Company such information actually in the Depository's possession from the transfer records maintained by the Depository in accordance with the Depository's policies and procedures as the Company may reasonably request in writing to enable the Company to file any reports required to be filed by the Company with governmental authorities or agencies to comply with applicable law; provided, however, for the avoidance of doubt, the Depository shall have no liability for the accuracy of any such information and shall not be required to incur or become subject to any risk, liability, cost or expense and shall be indemnified by the Company in connection with the foregoing.

If the Depositary determines that any distribution in property other than cash (including Shares or rights) on Deposited Securities is subject to any tax that the Depositary or the Custodian is obligated to withhold, the Depositary may dispose of all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and practicable to pay such taxes, by public or private sale, and the Depositary shall distribute the net proceeds of any such sale or the balance of any such property after deduction of such taxes to the Holders entitled thereto.

In all instances where the Deposit Agreement or an ADR refers to a "public sale" or "private sale" (or words of similar import), (i) the Depositary shall not endeavor to effect any such public or private sale unless the securities to be sold are listed and publicly traded on a stock exchange and (ii) to the extent not so listed and publicly traded, the Depositary shall not conduct any auction, bidding or other sales process with respect thereto and, in lieu thereof, shall act in accordance with the termination provisions hereof. Furthermore, in the event the Depositary endeavors to make a public sale of Shares or other securities, such securities may be sold in a block sale/single lot transaction.

(b) *Indemnifications Related to Taxes.* Each Holder and Beneficial Owner agrees to indemnify the Depositary, the Company, the Custodian and any of their respective officers, 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 which obligations shall survive any transfer or surrender of ADSs or the termination of the Deposit Agreement.

(6) Disclosure of Interests.

(a) *General.* 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, or interest in, Deposited Securities, other Shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, Holders and Beneficial Owners agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable Company instructions in respect thereof. The Company reserves the right to instruct Holders (and through any such Holder, the Beneficial Owners of ADSs evidenced by the ADRs registered in such Holder's name) to deliver their ADSs for cancellation and withdrawal of the Deposited Securities so as to permit the Company to deal directly with the Holder thereof as a holder of Shares and Holders and Beneficial Owners agree to comply with such instructions. If reasonably requested by the Company, the Depositary agrees to cooperate and consult with, and provide reasonable assistance to, in each case without risk, liability or expense on the part of the Depositary, the Company in its efforts to inform Holders of the Company's exercise of its rights under this paragraph and on the manner or manners in which the Company may implement such requirements with respect to any Holder; provided, however, for the avoidance of doubt, the Depositary shall be indemnified by the Company in connection with the foregoing.

(b) *Jurisdiction Specific.* Applicable laws and regulations may require holders and beneficial owners of Shares, including the Holders and Beneficial Owners, to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. Holders and Beneficial Owners are solely responsible for determining and complying with such reporting requirements and obtaining such approvals. By holding an ADS or an interest therein, each Holder and Beneficial Owner shall be agreeing to make such determination, file such reports, and obtain such approvals to the extent and in the form required by applicable laws and regulations as in effect from time to time. Neither the Depositary, the Custodian, the Company nor any of their respective directors, officers, employees, agents and affiliates shall be required to take any actions whatsoever on behalf of any Holder, Beneficial Owner or other person to determine or satisfy any reporting requirements or to obtain any regulatory approvals under applicable laws, rules and regulations.

Any summary of the laws and regulations of the United States of America and the Cayman Islands, and of the terms of the Company's constituent documents, has been provided by the Company solely for the convenience of Holders, Beneficial Owners and the Depositary. While such summaries are believed by the Company to be accurate as of the date of the Deposit Agreement, they are (i) summaries and as such may not include all aspects of the materials summarized as applicable to a Holder or Beneficial Owner, and (ii) provided by the Company as of the date of the Deposit Agreement. The Holder or Beneficial Owner acknowledges that these laws and regulations and the Company's constituent documents may change after the date of the Deposit Agreement. Neither the Depositary nor the Company has any obligation to update any such summaries.

(7) Charges of Depositary.

(a) *Rights of the Depositary.* The Depositary may charge, and collect from, (i) 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 (as such terms are defined in paragraph (10) (*Distributions on Deposited Securities*)), issuances pursuant to a stock dividend or stock split declared by the Company, or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or the Deposited Securities, and (ii) each person surrendering ADSs for withdrawal of Deposited Securities or whose ADSs are cancelled or reduced for any other reason, U.S.\$5.00 for each 100 ADSs (or portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a Share Distribution or elective distribution is made or offered (as the case may be). The Depositary may sell (by public or private sale) sufficient securities and property received in respect of Share Distributions, Rights and Other Distributions prior to such deposit to pay such charge.

(b) *Additional Fees, Charges and Expenses by the Depositary.* The following additional fees, charges and expenses shall also be incurred by the Holders, the Beneficial Owners, by any party depositing or withdrawing Shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuances pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the ADSs or the Deposited Securities or a distribution of ADSs pursuant to paragraph (10) (*Distributions on Deposited Securities*)), whichever is applicable:

- (i) a fee of U.S.\$0.05 or less per ADS held for any Cash distribution made, or for any elective cash/stock dividend offered, pursuant to the Deposit Agreement,
- (ii) a fee of U.S.\$0.05 or less per ADS held for the direct or indirect distribution of securities other than ADSs or rights to purchase additional ADSs pursuant to paragraph (10) hereof (including, without limitation, distributions by the Company or any third-party) or the distribution of the net cash proceeds from the sale of any such securities,
- (iii) an aggregate fee of U.S.\$0.05 or less 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 as of the record date or record dates set by the Depositary during each calendar year 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), and
- (iv) an amount for the reimbursement of such charges and expenses as are incurred by the Depositary and/or any of its agents (including, without limitation, the Custodian and charges 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 sale of securities (including, without limitation, 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 charges and expenses 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 or expense from one or more cash dividends or other cash distributions).

(c) *Other Obligations, Fees, Charges and Expenses.* The Company will pay all other fees, charges and expenses of the Depository and any agent of the Depository (except the Custodian) pursuant to agreements from time to time between the Company and the Depository, except:

- (i) stock transfer or other taxes and other governmental charges (which are payable by Holders or persons depositing Shares);
- (ii) a transaction fee per cancellation request (including through SWIFT, telex and facsimile transmission) as disclosed on the "Disclosures" page (or successor page) of www.adr.com (as updated by the Depository from time to time, "**ADR.com**") and any applicable delivery expenses (which are payable by such persons or Holders); and
- (iii) transfer or registration expenses for the registration or transfer of Deposited Securities on any applicable register in connection with the deposit or withdrawal of Deposited Securities (which are payable by persons depositing Shares or Holders withdrawing Deposited Securities).

(d) *Foreign Exchange Related Matters.* To facilitate the administration of various depository receipt transactions, including disbursement of dividends or other cash distributions and other corporate actions, the Depository may engage the foreign exchange desk within JPMorgan Chase Bank, N.A. (the "**Bank**") and/or its affiliates in order to enter into spot foreign exchange transactions to convert foreign currency into U.S. dollars ("**FX Transactions**"). For certain currencies, FX Transactions are entered into with the Bank or an affiliate, as the case may be, acting in a principal capacity. For other currencies, FX Transactions are routed directly to and managed by an unaffiliated local custodian (or other third-party local liquidity provider), and neither the Bank nor any of its affiliates is a party to such FX Transactions.

The foreign exchange rate applied to an FX Transaction will be either (i) a published benchmark rate, or (ii) a rate determined by a third-party local liquidity provider, in each case plus or minus a spread, as applicable. The Depositary will disclose which foreign exchange rate and spread, if any, apply to such currency on the "Disclosures" page (or successor page) of ADR.com. Such applicable foreign exchange rate and spread may (and neither the Depositary, the Bank nor any of their affiliates is under any obligation to ensure that such rate does not) differ from rates and spreads at which comparable transactions are entered into with other customers or the range of foreign exchange rates and spreads at which the Bank or any of its affiliates enters into foreign exchange transactions in the relevant currency pair on the date of the FX Transaction. Additionally, the timing of execution of an FX Transaction varies according to local market dynamics, which may include regulatory requirements, market hours and liquidity in the foreign exchange market or other factors. Furthermore, the Bank and its affiliates may manage the associated risks of their position in the market in a manner they deem appropriate without regard to the impact of such activities on the Company, the Depositary, Holders or Beneficial Owners. The spread applied does not reflect any gains or losses that may be earned or incurred by the Bank and its affiliates as a result of risk management or other hedging related activity.

Notwithstanding the foregoing, to the extent the Company provides U.S. dollars to the Depositary, neither the Bank nor any of its affiliates will execute an FX Transaction as set forth herein. In such case, the Depositary will distribute the U.S. dollars received from the Company.

Further details relating to the applicable foreign exchange rate, the applicable spread and the execution of FX Transactions will be provided by the Depositary on ADR.com. The Company, Holders and Beneficial Owners each acknowledge and agree that the terms applicable to FX Transactions disclosed from time to time on ADR.com will apply to any FX Transaction executed pursuant to the Deposit Agreement.

(e) The right of the Depositary to receive payment of fees, charges and expenses as provided above shall survive the termination of the Deposit Agreement. Upon the resignation or removal of the Depositary, such right shall extend for those fees, charges and expenses incurred prior to the effectiveness of such resignation or removal.

(f) *Disclosure of Potential Depositary Payments.* The Depositary anticipates reimbursing the Company for certain expenses incurred by the Company that are related to the establishment and maintenance of the ADR program upon such terms and conditions as the Company and the Depositary may agree from time to time. The Depositary may make available to the Company a set amount or a portion of the Depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as the Company and the Depositary may agree from time to time.

(8) **Available Information.** The Deposit Agreement, the provisions of or governing Deposited Securities and any written communications from the Company, 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, are available for inspection by Holders at the offices of the Depository and the Custodian, at the Transfer Office, on the Commission's Internet Website, or upon request from the Depository (which request may be refused by the Depository at its discretion). The Depository will distribute copies of such communications (or English translations or summaries thereof) to Holders when furnished by the Company.

The Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934 and accordingly files certain reports with the Commission. These reports can be inspected and retrieved by Holders and Beneficial Owners through the EDGAR system on the Commission's Internet Website located as of the date of the Deposit Agreement at www.sec.gov and can be inspected and copied at the public reference facilities maintained by the Commission, currently located at 100 F Street, N.E., Washington, D.C. 20549.

(9) **Execution.** This ADR shall not be valid for any purpose unless executed by the Depository by the manual or facsimile signature of a duly authorized officer of the Depository.

Dated:

JPMORGAN CHASE BANK, N.A., as Depository

By _____
Authorized Officer

The Depository's office is located at 383 Madison Avenue, Floor 11, New York, New York 10179.

[FORM OF REVERSE OF ADR]

(10) **Distributions on Deposited Securities.** Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer etc.*) and (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and other Charges*), to the extent practicable, the Depositary will distribute to each Holder entitled thereto on the record date set by the Depositary therefor at such Holder's address shown on the ADR Register, in proportion to the number of Deposited Securities (on which the following distributions on Deposited Securities are received by the Custodian) represented by ADSs evidenced by such Holder's ADRs:

(a) *Cash.* Any U.S. dollars available to the Depositary resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof authorized in this paragraph (10) ("**Cash**"), 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 Holders, and (iii) deduction of the Depositary's and/or its agents' fees and expenses in (1) converting any foreign currency to U.S. dollars by sale or in such other manner as the Depositary may determine 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. To the extent the Depositary does not reasonably believe it will be permitted by applicable law, rule or regulation to convert foreign currency into U.S. dollars and distribute such U.S. dollars to some or all Holders, the Depositary may in its discretion distribute the foreign currency received by the Depositary to, or hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Holders entitled to receive the same. To the extent the Depositary holds such foreign currency, any and all costs and expenses related to, or arising from, the holding of such foreign currency shall be paid from such foreign currency thereby reducing the amount so held hereunder.

(b) *Shares.* (i) Additional ADRs evidencing whole ADSs representing any Shares available to the Depositary resulting from a dividend or free distribution on Deposited Securities consisting of Shares (a "**Share Distribution**") and (ii) U.S. dollars available to it resulting from the net proceeds of sales of Shares received in a Share Distribution, which Shares would give rise to fractional ADSs if additional ADRs were issued therefor, as in the case of Cash.

(c) *Rights.* (i) Warrants or other instruments in the discretion of the Depositary representing rights to acquire additional ADRs in respect of any rights to subscribe for additional Shares or rights of any nature available to the Depositary as a result of a distribution on Deposited Securities ("**Rights**"), to the extent that the Company timely furnishes to the Depositary evidence satisfactory to the Depositary that the Depositary may lawfully distribute the same (the Company has no obligation to so furnish such evidence), or (ii) to the extent the Company does not so furnish such evidence and sales of Rights are practicable, any U.S. dollars available to the Depositary from the net proceeds of sales of Rights as in the case of Cash, or (iii) to the extent the Company does not so furnish such evidence and such sales cannot practicably be accomplished by reason of the nontransferability of the Rights, limited markets therefor, their short duration or otherwise, nothing (and any Rights may lapse).

(d) *Other Distributions.* (i) Securities or property available to the Depositary resulting from any distribution on Deposited Securities other than Cash, Share Distributions and Rights ("**Other Distributions**"), by any means that the Depositary may deem equitable and practicable, or (ii) to the extent the Depositary deems distribution of such securities or property not to be equitable and practicable, any U.S. dollars available to the Depositary from the net proceeds of sales of Other Distributions as in the case of Cash.

The Depositary reserves the right to utilize a division, branch or affiliate of JPMorgan Chase Bank, N.A. to direct, manage and/or execute any public and/or private sale of securities hereunder. Such division, branch and/or affiliate may charge the Depositary a fee in connection with such sales, which fee is considered an expense of the Depositary contemplated above and/or under paragraph (7) (*Charges of Depositary*). Any U.S. dollars available 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. All purchases and sales of securities will be handled by the Depositary in accordance with its then current policies, which are currently set forth on the "Disclosures" page (or successor page) of ADR.com, the location and contents of which the Depositary shall be solely responsible for.

(11) **Record Dates.** The Depositary may, after consultation with the Company if practicable, fix a record date (which, to the extent applicable, shall be as near as practicable to any corresponding record date set by the Company) for the determination of the Holders who shall be responsible for the fee assessed by the Depositary for administration of the ADR program and for any expenses provided for in paragraph (7) hereof as well as for the determination of the Holders who shall be entitled to receive any distribution on or in respect of Deposited Securities, to give instructions for the exercise of any voting rights, to receive any notice or to act in respect of other matters and only such Holders shall be so entitled or obligated.

(12) Voting of Deposited Securities.

(a) *Notice of Any Meeting or Solicitation.* As soon as practicable after receipt of notice of any meeting at which the holders of Shares are entitled to vote, or of solicitation of consents or proxies from holders of Shares or other Deposited Securities, the Depositary shall fix the ADS record date in accordance with paragraph (11) above provided that if the Depositary receives a written request from the Company in a timely manner and at least 30 days prior to the date of such vote or meeting, the Depositary shall, at the Company's expense, distribute to Holders a notice (the "**Voting Notice**") stating (i) final information particular to such vote and meeting and any solicitation materials, (ii) that each Holder on the record date set by the Depositary will, subject to any applicable provisions of the United States and Cayman Islands law, and the Company's Articles of Association, be entitled to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the Deposited Securities represented by the ADSs evidenced by such Holder's ADRs and (iii) the manner in which such instructions may be given or deemed given in accordance with paragraph 12(b)(ii) below, including instructions to give a discretionary proxy to a person designated by the Company. Each Holder shall be solely responsible for the forwarding of Voting Notices to the Beneficial Owners of ADSs registered in such Holder's name. There is no guarantee that Holders and Beneficial Owners generally or any Holder or Beneficial Owner in particular will receive the notice described above with sufficient time to enable such Holder or Beneficial Owner to return any voting instructions to the Depositary in a timely manner.

(b) *Voting of Deposited Securities.*

(i) Following actual receipt by the ADR department responsible for proxies and voting of Holders' instructions (including, without limitation, instructions of any entity or entities acting on behalf of the nominee for DTC), the Depositary shall, in the manner and on or before the time established by the Depositary for such purpose, endeavor to vote or cause to be voted the Deposited Securities represented by the ADSs evidenced by such Holders' ADRs in accordance with such instructions insofar as practicable and permitted under the provisions of or governing Deposited Securities. The Depositary will not itself exercise any voting discretion in respect of any Deposited Securities.

(ii) To the extent that (A) the Depositary has been provided with at least 35 days' notice of the proposed meeting from the Company, (B) the Voting Notice will be received by all Holders and Beneficial Owners no less than ten (10) days prior to the date of the meeting and/or the cut-off date for the solicitation of consents, and (C) the Depositary does not receive instructions on a particular agenda item from a Holder (including, without limitation, any entity or entities acting on behalf of the nominee for DTC) in a timely manner, such Holder shall be deemed, and the Depositary is instructed to deem such Holder, to have instructed the Depositary to give a discretionary proxy for such agenda item(s) to a person designated by the Company to vote the Deposited Securities represented by the ADSs for which actual instructions were not so given by all such Holders on such agenda item(s), provided that no such instruction shall be deemed given and no discretionary proxy shall be given unless (1) the Company informs the Depositary in writing (and the Company agrees to provide the Depositary with such instruction promptly in writing) that (a) it wishes such proxy to be given with respect to such agenda item(s), (b) there is no substantial opposition existing with respect to such agenda item(s) and (c) such agenda item(s), if approved, would not materially or adversely affect the rights of holders of Shares, and (2) the Depositary has obtained an opinion of counsel, in form and substance satisfactory to the Depositary, confirming that (i) the granting of such discretionary proxy does not subject the Depositary to any reporting obligations in the Cayman Islands, (ii) the granting of such proxy will not result in a violation of the laws, rules, regulations or permits of the Cayman Islands, (iii) the voting arrangement and deemed instruction as contemplated herein will be given effect under the laws, rules and regulations of the Cayman Islands, and (iv) the granting of such discretionary proxy will not under any circumstances result in the Shares represented by the ADSs being treated as assets of the Depositary under the laws, rules or regulations of the Cayman Islands.

(iii) The Depositary may from time to time access information available to it to consider whether any of the circumstances described in (1)(b) or (1)(c) of subsection (ii) above exist, or request additional information from the Company in respect thereto. By taking any such action, the Depositary shall not in any way be deemed or inferred to have been required, or have had any duty or responsibility (contractual or otherwise), to monitor or inquire whether any of the circumstances described in (1)(b) or (1)(c) of subsection (ii) above existed. In addition to the limitations provided for in paragraph (14) hereof, Holders and Beneficial Owners are advised and agree that (a) the Depositary will rely fully and exclusively on the Company to inform the Depositary of any of the circumstances set forth in (1) of subsection (ii) above, and (b) neither the Depositary, the Custodian nor any of their respective agents shall be obliged to inquire or investigate whether any of the circumstances described in (1)(b) or (1)(c) of subsection (ii) above exist and/or whether the Company complied with its obligation to timely inform the Depositary of such circumstances. Neither the Depositary, the Custodian nor any of their respective agents shall incur any liability to Holders or Beneficial Owners (i) as a result of the Company's failure to determine that any of the circumstances described in (1)(b) or (1)(c) of subsection (ii) above exist or its failure to timely notify the Depositary of any such circumstances or (ii) if any agenda item which is approved at a meeting has, or is claimed to have, a material or adverse effect on the rights of holders of Shares. Because there is no guarantee that Holders and Beneficial Owners will receive the notices described above with sufficient time to enable such Holders or Beneficial Owners to return any voting instructions to the Depositary in a timely manner, Holders and Beneficial Owners may be deemed to have instructed the Depositary to give a discretionary proxy to a person designated by the Company in such circumstances, and neither the Depositary, the Custodian nor any of their respective agents shall incur any liability to Holders or Beneficial Owners in such circumstances.

(c) *Alternative Methods of Distributing Materials.* Notwithstanding anything contained in the Deposit Agreement or any ADR, the Depositary may, to the extent not prohibited by any law, rule or regulation or by the rules, regulations or 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 Holders a notice that provides Holders with or otherwise publicizes to 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). Holders are strongly encouraged to forward their voting instructions as soon as possible. Voting instructions will not be deemed received until such time as the ADR department responsible for proxies and voting has received such instructions, notwithstanding that such instructions may have been physically received by JPMorgan Chase Bank, N.A., as Depositary, prior to such time.

(d) *Manner of Voting.* The Depositary has been advised by the Company that under Cayman Islands law and the Memorandum and Articles of Association of the Company, each as in effect as of the date of the Deposit Agreement, voting at any meeting of shareholders of the Company is by show of hands unless a poll is (before or on the declaration of the results of the show of hands) demanded by the chairman of the meeting or any shareholder holding not less than ten percent (10%) of the votes attached to the Shares present. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with the Memorandum and Articles of Association, the Depositary will refrain from voting and providing any proxies (deemed or otherwise) and the voting instructions received and deemed 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.

(13) Changes Affecting Deposited Securities.

(a) Subject to paragraphs (4) (*Certain Limitations to Registration, Transfer etc.*) and (5) (*Liability of Holder or Beneficial Owner for Taxes, Duties and Other Charges*), the Depositary may, in its discretion, and shall if reasonably requested by the Company, amend this ADR or distribute additional or amended ADRs (with or without calling this ADR for exchange) or cash, securities or property on the record date set by the Depositary therefor to reflect any change in par value, split-up, consolidation, cancellation or other reclassification of Deposited Securities, any Share Distribution or Other Distribution not distributed to Holders or any cash, securities or property available to the Depositary in respect of Deposited Securities from (and the Depositary is hereby authorized to surrender any Deposited Securities to any person and, irrespective of whether such Deposited Securities are surrendered or otherwise cancelled by operation of law, rule, regulation or otherwise, to sell by public or private sale any property received in connection with) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all the assets of the Company.

(b) To the extent the Depositary does not so amend this ADR or make a distribution to Holders to reflect any of the foregoing, or the net proceeds thereof, whatever cash, securities or property results from any of the foregoing shall constitute Deposited Securities and each ADS evidenced by this ADR shall automatically represent its pro rata interest in the Deposited Securities as then constituted.

(c) Promptly upon the occurrence of any of the aforementioned changes affecting Deposited Securities, the Company shall notify the Depositary in writing of such occurrence and as soon as practicable after receipt of such notice from the Company, may instruct the Depositary to give notice thereof, at the Company's expense, to Holders in accordance with the provisions hereof. Upon receipt of such instruction, the Depositary shall give notice to the Holders in accordance with the terms thereof, as soon as reasonably practicable.

(14) Exoneration.

(a) The Depositary, the Company, and each of their respective directors, officers, employees, agents and affiliates and each of them shall: (i) incur or assume no liability (including, without limitation, to Holders or Beneficial Owners) (A) if any present or future law, rule, regulation, fiat, order or decree of the United States or any other country or jurisdiction, or of any governmental or regulatory authority or any securities exchange or market or automated quotation system, the provisions of or governing any Deposited Securities, any present or future provision of the Company's charter, any act of God, war, terrorism, epidemic, pandemic, nationalization, expropriation, currency restrictions, extraordinary market conditions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, cyber, ransomware or malware attack, computer failure or circumstance beyond its direct and immediate 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 this ADR provides shall be done or performed by it or them (including, without limitation, voting pursuant to paragraph (12) hereof), or (B) by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or things which by the terms of the Deposit Agreement it is provided shall or may be done or performed or any exercise or failure to exercise any discretion given it in the Deposit Agreement or this ADR (including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable); (ii) incur or assume no liability (including, without limitation, to Holders or Beneficial Owners) except to perform its obligations to the extent they are specifically set forth in this ADR and the Deposit Agreement without gross negligence or willful misconduct and the Depositary shall not be a fiduciary or have any fiduciary duty to Holders or Beneficial Owners; (iii) in the case of the Depositary and its agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities, the ADSs or this ADR; (iv) in the case of the Company and its agents hereunder be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities, the ADSs or this ADR, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be required; and (v) not be liable (including, without limitation, to Holders or Beneficial Owners) for any action or inaction by it in reliance upon the advice of or information from any legal counsel, any accountant, any person presenting Shares for deposit, any Holder, or any other person believed by it to be competent to give such advice or information and/or, in the case of the Depositary, the Company. The Depositary shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system.

(b) *The Depository.* The Depository 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 JPMorgan Chase Bank, N.A. The Depository shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale. Notwithstanding anything to the contrary contained in the Deposit Agreement (including the ADRs) and, subject to the further limitations set forth in clause (o) of this paragraph (14), the Depository shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the Custodian except to the extent that any Holder has incurred liability directly as a result of the Custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the Depository or (ii) failed to use reasonable care in the provision of custodial services to the Depository as determined in accordance with the standards prevailing in the jurisdiction in which the Custodian is located.

(c) The Depository, its agents and the Company may rely and shall be protected in acting upon any written notice, request, direction, instruction or document believed by them to be genuine and to have been signed, presented or given by the proper party or parties.

(d) The Depository shall be under no obligation to inform Holders or Beneficial Owners about the requirements of the laws, rules or regulations or any changes therein or thereto of the United States or any other country or jurisdiction or of any governmental or regulatory authority or any securities exchange or market or automated quotation system.

(e) The Depository and its agents will not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, for the manner in which any voting instructions are given or deemed to be given in accordance with paragraph 12(b)(ii) hereof, including instructions to give a discretionary proxy to a person designated by the Company, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the Depository is instructed to grant a discretionary proxy pursuant to paragraph (12) hereof or for the effect of any such vote.

(f) The Depositary may rely upon instructions from the Company or its counsel in respect of any approval or license required for any currency conversion, transfer or distribution.

(g) The Depositary and its agents may own and deal in any class of securities of the Company and its affiliates and in ADRs.

(h) Notwithstanding anything to the contrary set forth in the Deposit Agreement or an ADR, 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 Holder or Holders, any ADR or ADRs or otherwise related hereto or thereto 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.

(i) None of the Depositary, the Custodian or the Company, or any of their respective directors, officers, employees, agents or affiliates shall be liable for the failure by any Holder or Beneficial Owner to obtain the benefits of credits or refunds of non-U.S. tax paid against such Holder's or Beneficial Owner's income tax liability.

(j) The Depositary is under no obligation to provide the Holders and Beneficial Owners, or any of them, with any information about the tax status of the Company. None of the Depositary, the Custodian or the Company, or any of their respective directors, officers, employees, agents and affiliates, shall incur any liability for any tax or tax consequences that may be incurred by Holders or Beneficial Owners on account of their ownership or disposition of the ADRs or ADSs.

(k) The Depositary shall not incur any liability for the content of any information submitted to it by or on behalf of the Company for distribution to the Holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the Deposited Securities, for the validity or worth of the Deposited Securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the Deposit Agreement or for the failure or timeliness of any notice from the Company.

(l) Notwithstanding anything herein or in the Deposit Agreement to the contrary, the Depositary and the Custodian(s) may use third-party delivery services and providers of information regarding matters such as, but not limited to, pricing, proxy voting, corporate actions, class action litigation and other services in connection herewith and the Deposit Agreement, and use local agents to provide services such as, but not limited to, attendance at any meetings of security holders of issuers. 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.

(m) The Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary.

(n) The Company has agreed to indemnify the Depositary and its agents under certain circumstances and the Depositary has agreed to indemnify the Company under certain circumstances.

(o) Notwithstanding any other provision of the Deposit Agreement or this ADR to the contrary, neither the Depositary nor any of its agents shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, legal fees and expenses) or lost profits, in each case of any form incurred by any person or entity (including, without limitation, Holders and Beneficial Owners of ADRs and ADSs), whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

(p) No provision of the Deposit Agreement or this ADR is intended to constitute a waiver or limitation of any rights which Holders or Beneficial Owners may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

(15) Resignation and Removal of Depositary; the Custodian.

(a) *Resignation.* The Depositary may resign as Depositary by written notice of its election to do so delivered to the Company, such resignation to take effect upon the appointment of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement.

(b) *Removal.* The Depositary may at any time be removed by the Company by no less than 60 days' prior written notice of such removal, to become effective upon the later of (i) the 60th day after delivery of the notice to the Depositary and (ii) the appointment of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement.

(c) *The Custodian.* The Depositary may appoint substitute or additional Custodians and the term "**Custodian**" refers to each Custodian or all Custodians as the context requires.

(16) **Amendment.** Subject to the last sentence of paragraph (2) (*Withdrawal of Deposited Securities*), the ADRs and the Deposit Agreement may be amended by the Company and the Depository, provided that any amendment that imposes or increases any fees, charges or expenses (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, a transaction fee per cancellation request (including through SWIFT, telex or facsimile transmission), applicable delivery expenses or other such fees, charges or expenses), or that shall otherwise prejudice any substantial existing right of Holders or Beneficial Owners, shall become effective 30 days after notice of such amendment shall have been given to the Holders. Every Holder and Beneficial Owner at the time any amendment to the Deposit Agreement so becomes effective shall be deemed, by continuing to hold such ADR, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the Holder of any ADR to surrender such ADR and receive the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law. Any amendments or supplements that (i) are reasonably necessary (as agreed by the Company and the Depository) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act of 1933 or (b) the ADSs or Shares to be traded solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by Holders, shall be deemed not to prejudice any substantial rights of Holders or Beneficial Owners. 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, the Company and the Depository may amend or supplement the Deposit Agreement and the ADR at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the Deposit Agreement in such circumstances may become effective before a notice of such amendment or supplement is given to Holders or within any other period of time as required for compliance. Notice of any amendment to the Deposit Agreement or form of ADRs shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the Holders identifies a means for Holders and Beneficial Owners to retrieve or receive the text of such amendment (*i.e.*, upon retrieval from the Commission's, the Depository's or the Company's website or upon request from the Depository).

(17) **Termination.** The Depository shall, at any time at the written direction of the Company, terminate the Deposit Agreement by mailing notice of such termination to the Holders at least 30 days prior to the Termination Date. The Depository may also terminate the Deposit Agreement by mailing notice of such termination to the Holders at least thirty (30) days prior to the Termination Date if (i) forty five (45) days shall have expired after the Resignation Notice Date, (ii) sixty (60) days shall have expired after the Removal Notice Date, (iii) the Company is either bankrupt or insolvent, (iv) the Shares cease to be listed on an internationally recognized stock exchange, (v) the Company effects (or will effect) a redemption of all or substantially all of the Deposited Securities, or a cash or share distribution representing a return of all or substantially all of the value of the Deposited Securities, or (vi) there occurs a merger, consolidation, sale of assets or other transaction as a result of which securities or other property are delivered in exchange for or in lieu of Deposited Securities. Additionally, the Depository may immediately terminate the Deposit Agreement, without prior notice to the Company, any Holder or Beneficial Owner or any other person if required by any law, rule or regulation relating to sanctions by any governmental authority or body, or if the Depository would be subject to liability under or pursuant to any law, rule or regulation, or if otherwise required by any governmental authority or body, in each case as determined by the Depository in its reasonable discretion.

If the Shares are listed or quoted for trading on a stock exchange or in a securities market as of the Termination Date and the Depositary believes that it is able and practicable to promptly sell the Deposited Securities without undue effort, then, after the Termination Date, the Depositary and its agents will perform no further acts under the Deposit Agreement and this ADR, except to receive and hold (or sell) distributions on Deposited Securities and deliver Deposited Securities being withdrawn. As soon as practicable after the Termination Date, the Depositary shall use its reasonable efforts to sell the Deposited Securities and shall thereafter (as long as it may lawfully do so) hold in an account (which may be a segregated or unsegregated account) the net proceeds of such sales, together with any other cash then held by it under the Deposit Agreement, without liability for interest, in trust for the pro rata benefit of the Holders of ADRs not theretofore surrendered. After making such sale, the Depositary shall be discharged from all obligations in respect of the Deposit Agreement and this ADR, except to account for such net proceeds and other cash. After the date so fixed for termination, the Company shall be discharged from all obligations under the Deposit Agreement except for its obligations to the Depositary and its agents.

If, however, the Shares are not listed or quoted for trading on a stock exchange or in a securities market as of the Termination Date or if, for any reason, the Depositary believes it is not able or practicable to promptly sell the Deposited Securities without undue effort, then, after the Termination Date (a) all Direct Registration ADRs shall cease to be eligible for the Direct Registration System and shall be considered ADRs issued on the ADR Register and (b) the Depositary shall use its reasonable efforts to ensure that the ADSs cease to be DTC eligible so that neither DTC nor any of its nominees shall thereafter be a Holder. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is a Holder, the Depositary shall (A) instruct its Custodian to deliver all Deposited Securities to the Company along with a general stock power that refers to the names set forth on the ADR Register and (B) provide the Company with a copy of the ADR Register (which copy may be sent by email or by any means permitted under the notice provisions of the Deposit Agreement). Upon receipt of such Deposited Securities and the ADR Register, the Company shall use its best efforts to issue to each Holder a Share certificate representing the Shares represented by the ADSs reflected on the ADR Register in such Holder's name and to deliver such Share certificate to the Holder at the address set forth on the ADR Register. After providing such instruction to the Custodian and delivering a copy of the ADR Register to the Company, the Depositary and its agents will perform no further acts under the Deposit Agreement and this ADR and shall cease to have any obligations under the Deposit Agreement and/or the ADRs. After the Company receives the copy of the ADR Register and the Deposited Securities, the Company shall be discharged from all obligations under the Deposit Agreement except (x) to distribute the Shares to the Holders entitled thereto and (y) for its obligations to the Depositary and its agents.

Notwithstanding anything to the contrary, in connection with any termination pursuant to this paragraph (17), the Depositary may, in its sole discretion and without notice to the Company, establish an unsponsored American depository share program (on such terms as the Depositary may determine) for the Shares and make available to Holders a means to withdraw the Shares represented by the ADSs issued under the Deposit Agreement and to direct the deposit of such Shares into such unsponsored American depository share program, subject, in each case, to receipt by the Depositary, at its discretion, of the fees, charges and expenses provided for in paragraph (7) hereof and the fees, charges and expenses applicable to the unsponsored American depository share program.

(18) **Appointment; Acknowledgements and Agreements.** Each Holder and each Beneficial Owner, upon acceptance of any ADSs or ADRs (or any interest in any of them) issued in accordance with the terms and conditions of the Deposit Agreement shall be deemed for all purposes to (a) be a party to and bound by the terms of the Deposit Agreement and the applicable ADR(s), (b) 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(s), to adopt any and all procedures necessary to comply with applicable law 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(s), the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof, and (c) acknowledge and agree that (i) nothing in the Deposit Agreement or any ADR shall give rise to a partnership or joint venture among the parties thereto, nor establish a fiduciary or similar relationship among such parties, (ii) the Depositary, its divisions, branches and affiliates, and their respective agents, may from time to time be in the possession of non-public information about the Company, Holders, Beneficial Owners and/or their respective affiliates, (iii) the Depositary and its divisions, branches and affiliates may at any time have multiple banking relationships with the Company, Holders, Beneficial Owners and/or the affiliates of any of them, (iv) the Depositary and its divisions, branches and affiliates may, from time to time, be engaged in transactions in which parties adverse to the Company or the Holders or Beneficial Owners and/or their respective affiliates may have interests, (v) nothing contained in the Deposit Agreement or any ADR(s) shall (A) preclude the Depositary or any of its divisions, branches or affiliates from engaging in any such transactions or establishing or maintaining any such relationships, or (B) obligate the Depositary or any of its divisions, branches or affiliates to disclose any such transactions or relationships or to account for any profit made or payment received in any such transactions or relationships, (vi) the Depositary shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the Depositary and (vii) notice to a Holder shall be deemed, for all purposes of the Deposit Agreement and this ADR, to constitute notice to any and all Beneficial Owners of the ADSs evidenced by such Holder's ADRs. For all purposes under the Deposit Agreement and this ADR, the Holder hereof shall be deemed to have all requisite authority to act on behalf of any and all Beneficial Owners of the ADSs evidenced by this ADR.

(19) **Waiver.** EACH PARTY TO THE DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH HOLDER AND BENEFICIAL OWNER OF, AND/OR HOLDER OF INTERESTS IN, ADSS OR ADRS) HEREBY 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, BASED ON OR RELATING IN ANY WAY TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE ADSs OR THE ADRs, THE DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF (WHETHER BASED ON CONTRACT, TORT, COMMON LAW OR ANY OTHER THEORY), INCLUDING, WITHOUT LIMITATION, ANY SUIT, ACTION, CLAIM OR PROCEEDING UNDER THE UNITED STATES FEDERAL SECURITIES LAWS. No provision of the Deposit Agreement or this ADR is intended to constitute a waiver or limitation of any rights which a Holder or any Beneficial Owner may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

(20) **Jurisdiction.** By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each irrevocably agree that any legal suit, action or proceeding against or involving Holders or Beneficial Owners brought by the Company or the Depositary, arising out of or based upon the Deposit Agreement, the ADSs, the ADRs or the transactions contemplated therein, herein, thereby or hereby, may be instituted in a federal or state court in New York, New York, and by holding or owning an ADR or ADS or an interest therein each irrevocably waives any objection that it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. By holding or owning an ADR or ADS or an interest therein, Holders and Beneficial Owners each also irrevocably agree that any legal suit, action or proceeding against or involving the Depositary and/or the Company brought by Holders or Beneficial Owners, arising out of or based upon the Deposit Agreement, the ADSs, the ADRs or the transactions contemplated therein, herein, thereby or hereby, including, without limitation, claims under the Securities Act of 1933, may be instituted only in the United States District Court for the Southern District of New York (or in the state courts of New York County in New York if either (i) the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or (ii) the designation of the United States District Court for the Southern District of New York as the exclusive forum for any particular dispute is, or becomes, invalid, illegal or unenforceable). Notwithstanding the above or anything in the Deposit Agreement to the contrary, in the Deposit Agreement each of the parties thereto (i.e., the Company, the Depositary and all Holders and Beneficial Owners) have agreed that: (i) the Depositary may, in its sole discretion, elect to institute any dispute, suit, action, controversy, claim or proceeding directly or indirectly based on, arising out of or relating to the Deposit Agreement, the ADSs, the ADRs or the transactions contemplated therein, herein, thereby or hereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination (each, a "**Dispute**"; collectively, "**Disputes**") against any other party or parties (including, without limitation, Disputes brought against Holders and Beneficial Owners), by having the Dispute referred to and finally resolved by an arbitration conducted under the terms set out below, and (ii) the Depositary may in its sole discretion require, by written notice to the relevant party or parties, that any Dispute brought by any party or parties to the Deposit Agreement (including, without limitation, Disputes brought by Holders and Beneficial Owners) against the Depositary be referred to and finally settled by an arbitration conducted under the terms set out in the Deposit Agreement; provided however, notwithstanding the Depositary's written notice under this clause (ii), to the extent there are specific federal securities law violation aspects to any claims against the Company and/or the Depositary brought by any Holder or Beneficial Owner, the federal securities law violation aspects of such claims brought by a Holder or Beneficial Owner against the Company and/or the Depositary may, at the option of such Holder or Beneficial Owner, remain in state or federal court in New York, New York and all other aspects, claims, Disputes, legal suits, actions and/or proceedings brought by such Holder or Beneficial Owner against the Company and/or the Depositary, including those brought along with, or in addition to, federal securities law violation claims, would be referred to arbitration in accordance herewith. Any such arbitration shall, at the Depositary's election, be conducted 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) with the Hong Kong International Arbitration Centre serving as the appointing authority, in each case as amended by Section 20(d) of the Deposit Agreement, and the language of any such arbitration shall be English, in each case as provided in the Deposit Agreement. Notwithstanding anything contained herein or in the Deposit Agreement to the contrary, and for the avoidance of doubt, the Company and all Holders and Beneficial Owners from time to time of ADRs issued hereunder (and any persons owning or holding interests in ADSs) agree that any federal or state court in New York, New York, shall have jurisdiction to hear and determine proceedings related to the enforcement of this arbitration provision and any arbitration award by the arbitrators contemplated and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such courts. Each of the parties hereto and to the Deposit Agreement (i.e. the Company, the Depositary and all Holders and Beneficial Owners) agrees not to challenge the terms and enforceability of the arbitration clause contained herein and in the Deposit Agreement, including, but not limited to, any challenge based on lack of mutuality, and each such party hereby irrevocably waives any such challenge.



Structure Therapeutics Inc.
Harbour Place 2nd Floor
103 South Church Street
P.O. Box 472, George Town
Grand Cayman KY1-1106
Cayman Islands

30 January 2023

Structure Therapeutics Inc.

We have acted as Cayman Islands legal advisers to Structure Therapeutics Inc. (the "**Company**") in connection with the Company's Form S-1 registration statement, including all amendments or supplements thereto (the "**Registration Statement**"), filed with the United States Securities and Exchange Commission (the "**Commission**") under the United States Securities Act of 1933 (the "**Act**"), as amended, related to the offering by the Company of American Depositary Shares representing certain of its ordinary shares, par value of US\$0.0001 per share (the "**Shares**"). This opinion is given in accordance with the terms of the Legal Matters section of the Registration Statement.

We are furnishing this opinion letter as Exhibit 5.1 to the Registration Statement.

1 Documents Reviewed

For the purposes of this opinion we have reviewed originals, copies, drafts or conformed copies of the documents listed in Schedule 1 to this opinion, being all of the documents necessary to form our opinion. Defined terms shall have the meanings set out in Schedule 1 or in the Registration Statement.

2 Assumptions

The following opinions are given only as to and based on circumstances and matters of fact existing at the date hereof and as to the laws of the Cayman Islands as the same are in force at the date hereof. In giving this opinion, we have relied upon the completeness and accuracy (and assumed the continuing completeness and accuracy as at the date hereof) of the Certificate of Good Standing and the Director's Certificate, as to matters of fact, without further verification and have assumed that copy documents or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals.

3 Opinions

Based upon, and subject to, the foregoing assumptions, and having regard to such legal considerations as we deem relevant, we are of the opinion that:

- 3.1 the Company has been duly incorporated and is validly existing and in good standing under the laws of the Cayman Islands;

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Fax +1 345 949 8171 103 South Church Street
Grand Cayman KY1-1106
www.traversthorpalberga.com Cayman Islands

- 3.2 as of 30 January 2023, conditional upon and with effect from immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing the Company's Ordinary Shares, the authorized share capital of the Company is US\$60,000 divided into 500,000,000 Ordinary Shares of a par value of US\$0.0001 each, and 100,000,000 shares of a par value of US\$0.0001 each of such class or classes (however designated) as the Board may determine in accordance with Article 9 of the Seventh Amended and Restated Memorandum and Articles of Association;
- 3.3 the issue and allotment of the Shares have been duly authorised and when allotted, issued and paid for as contemplated in the Registration Statement, the Shares will be legally issued and allotted, fully paid and non-assessable. In this opinion the phrase "non-assessable" means, with respect to Shares in the Company, that a shareholder shall not, solely by virtue of its status as a shareholder, in the absence of a contractual arrangement to the contrary, be liable for additional assessments or calls on the Shares by the Company or its creditors (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil). As a matter of Cayman Islands law, a share is only issued when it has been entered in the register of members (shareholders); and
- 3.4 the statements under the caption "Taxation" in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects and such statements constitute our opinion.

We hereby consent to the prospectus discussion of this opinion, to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the headings "Enforcement of Civil Liabilities" and "Legal Matters" and elsewhere in the prospectus included in the Registration Statement. In providing our consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the Rules and Regulations of the Commission thereunder.

This opinion is limited to the matters detailed herein and is not to be read as an opinion with respect to any other matter.

Yours faithfully

/s/ TRAVERS THORP ALBERGA
TRAVERS THORP ALBERGA

SCHEDULE 1

List of Documents Reviewed

- 1 the Certificate of Incorporation dated 27 February 2019 and the Certificate of Incorporation on Change of Name dated 1 July 2022;
 - 2 the register of members of the Company;
 - 3 the register of directors of the Company;
 - 4 the Sixth Amended and Restated Memorandum and Articles of Association of the Company as adopted by a special resolution dated 30 June 2022, and the Seventh Amended and Restated Memorandum and Articles of Association of the Company as adopted by a special resolution dated 19 January 2023 and effective immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing the Shares;
 - 5 the written resolutions of the board of directors of the Company dated 11 January 2023;
 - 6 the minutes of an extraordinary general meeting of the shareholders of the Company held on 19 January 2023;
 - 7 the certificate of good standing of the Company issued by the Registrar of Companies, Cayman Islands on 24 January 2023 (the "**Certificate of Good Standing**");
 - 8 a certificate from a Director of the Company addressed to this firm, a copy of which is attached hereto (the "**Director's Certificate**"); and
 - 9 the Registration Statement.
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中倫律師事務所
ZHONG LUN LAW FIRM

上海市浦东新区世纪大道8号国金中心二期6/10/11/16/17层，邮编 200120
6/10/11/16/17F, Two IFC, 8 Century Avenue, Pudong New Area, Shanghai 200120, P. R. China
电话/Tel: +86 21 6061 3666 传真/Fax: +86 21 6061 3555
网址: www.zhonglun.com

LEGAL OPINION

To: **Structure Therapeutics Inc.**
611 Gateway Blvd., Suite 223
South San Francisco, CA 94080
USA

January 30, 2023

Dear Sir/Madam:

1. We are lawyers qualified in the People's Republic of China (the "PRC") and are qualified to issue opinions on the PRC Laws (as defined in Section 4). For the purpose of this legal opinion (this "Opinion"), the PRC does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.
2. We act as the PRC counsel to Structure Therapeutics Inc. (the "Company"), a company incorporated under the laws of the Cayman Islands, in connection with (a) the proposed initial public offering (the "Offering") by the Company of American Depositary Shares ("ADSs"), representing certain ordinary shares of par value US\$0.0001 per share of the Company (together with the ADSs, the "Offered Securities"), in accordance with the Company's registration statement on Form S-1, including all amendments or supplements thereto (the "Registration Statement"), filed by the Company with the U.S. Securities and Exchange Commission (the "SEC") under the U.S. Securities Act of 1933, as amended, and (b) the Company's proposed listing of the Offered Securities on the Nasdaq Stock Market.
3. In so acting, we have examined the Registration Statement, the originals or copies certified or otherwise identified to our satisfaction of documents provided to us by the Company and such other documents, corporate records, certificates, approvals and other instruments as we have deemed necessary for the purpose of rendering this opinion, including, without limitation, originals or copies of the agreements and certificates issued by PRC authorities and officers of the Company ("Documents"). In such examination, we have assumed the accuracy of the factual matters described in the Registration Statement and that the Registration Statement and other documents will be executed by the parties in the forms provided to and reviewed by us. We have also assumed the genuineness of all signatures, seals and chops, the authenticity of all documents submitted to us as originals, and the conformity with the originals of all documents submitted to us as copies, and the truthfulness, accuracy and completeness of all relevant factual statements in the documents.

北京 · 上海 · 深圳 · 广州 · 武汉 · 成都 · 重庆 · 青岛 · 杭州 · 南京 · 海口 · 东京 · 香港 · 伦敦 · 纽约 · 洛杉矶 · 旧金山 · 阿拉木图
Beijing · Shanghai · Shenzhen · Guangzhou · Wuhan · Chengde · Chongqing · Qingdao · Hangzhou · Nanjing · Haikou · Tokyo · Hong Kong · London · New York · Los Angeles · San Francisco · Almaty

4. The following terms as used in this Opinion are defined as follows:

“PRC Subsidiaries”	mean Shanghai ShouTi Biotechnology Co., Ltd. (上海硕迪生物技术有限公司) and Shanghai Basecamp Biotechnology Co., Ltd. (上海倍勤生物技术有限公司).
“PRC Laws”	means any and all laws, regulations, statutes, rules, decrees, notices, and supreme court’s judicial interpretations currently in force and publicly available in the PRC as of the date hereof.
“Prospectus”	means the prospectus, including all amendments or supplements thereto, that forms part of the Registration Statement.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings described in the Registration Statement.

5. Based upon and subject to the foregoing, we are of the opinion that:

- (1) *Corporate Structure.* The ownership structure of the PRC Subsidiaries is in compliance, and immediately after this Offering will comply, with the current PRC Laws. The descriptions of the corporate structure of the PRC Subsidiaries in the Registration Statement are true and accurate and nothing has been omitted from such descriptions which would make the same misleading in any material respects.
- (2) *Taxation.* The statements set forth under the caption “Taxation” in the Registration Statement, insofar as they constitute statements of PRC law, are accurate in all material respects and such statements constitute our opinion. We do not express any opinion herein concerning any law other than PRC law.
- (3) *Enforcement of Civil Procedures.* We have advised the Company that there is uncertainty as to whether the courts of the PRC would: (i) recognize or enforce judgments of United States courts obtained against the Company or directors or officers of the Company predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or (ii) entertain original actions brought in each respective jurisdiction against the Company or directors or officers of the Company predicated upon the securities laws of the United States or any state in the United States.

We have further advised the Company that 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 the PRC and the country where the judgment is made or on principles of reciprocity between jurisdictions. The PRC does not have any treaties or other form of reciprocity 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 the PRC will not enforce a foreign judgment against the Company or the Company’s 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 originate actions based on PRC law against the Company in the PRC, if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit. However, it would be difficult for foreign shareholders to establish sufficient nexus to the PRC by virtue only of holding the Company’s ADSs or ordinary shares.

In addition, it will be difficult for U.S. shareholders to originate actions against the Company in the PRC in accordance with the PRC Laws because the Company is incorporated under the laws of the Cayman Islands and it will be difficult for U.S. shareholders, by virtue only of holding the Company’s ADSs or ordinary shares, to establish a connection to the PRC for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law.

(4) *Statements in the Prospectus.* The statements in the Prospectus under the headings “Prospectus Summary”, “Risk Factors”, “Business”, “Taxation”, “Enforcement of Civil Liabilities” and “Legal Matters” (other than the financial statements and related schedules and other financial data contained therein, as to which we express no opinion), to the extent such statements relate to matters of the PRC Laws or documents, agreements or proceedings governed by the PRC Laws, are true and accurate in all material respects, and fairly present and fairly summarize in all material respects the PRC Laws, documents, agreements or proceedings referred to therein, and we have no reason to believe there has been anything omitted from such statements which would make the statements, in light of the circumstance under which they were made, misleading in any material respect.

6. This opinion is subject to the following qualifications:

- (a) This Opinion relates only to the PRC Laws and we express no opinion as to any other laws and regulations. There is no guarantee that any of the PRC Laws, or the interpretation thereof or enforcement therefor, will not be changed, amended or replaced in the immediate future or in the longer term with or without retrospective effect.
- (b) This Opinion is intended to be used in the context which is specifically referred to herein and each section should be looked on as a whole regarding the same subject matter and no part shall be extracted for interpretation separately from this Opinion.
- (c) This Opinion is subject to the effects of (i) certain legal or statutory principles affecting the enforceability of contractual rights generally under the concepts of public interest, national security, good faith and fair dealing, applicable statutes of limitation, and the limitations by bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditor’s rights generally; (ii) any circumstance in connection with formulation, execution or performance of any legal documents that would be deemed materially mistaken, clearly unconscionable or fraudulent; (iii) judicial discretion with respect to the availability of injunctive relief, the calculation of damages, and the entitlement of attorneys’ fees and other costs; and (iv) the discretion of any competent PRC legislative, administrative or judicial bodies in exercising their authority in connection with the interpretation, implementation and application of relevant PRC Laws.

This Opinion is rendered to you for the purpose hereof only, and save as provided herein, this Opinion shall not be quoted nor shall a copy be given to any person (apart from the addressee) without our express prior written consent except where such disclosure is required to be made by applicable law or is requested by the SEC or any other regulatory agencies.

We hereby consent to the use of this Opinion in, and the filing hereof as an exhibit to, the Registration Statement. In giving such consent, we do not thereby admit that we fall within the category of the person whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the regulations promulgated thereunder.

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[Signature Page]

Yours faithfully,

/s/ Zhong Lun Law Firm
Zhong Lun Law Firm

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Structure Therapeutics Inc. of our report dated May 12, 2022 relating to the financial statements of Structure Therapeutics Inc., which appears in this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

San Jose, California
January 30, 2023

Calculation of Filing Fee Table

Form S-1

Structure Therapeutics Inc.

Table 1 - Newly Registered Securities

	Security Type	Security Class Title ⁽¹⁾	Fee Calculation Rule	Amount Registered	Proposed Maximum Offering Price Per Share	Maximum Aggregate Offering Price ⁽²⁾⁽³⁾	Fee Rate	Amount of Registration Fee ⁽³⁾
Fees to Be Paid	Equity	Ordinary Shares, \$0.0001 par value per share	Rule 457(o)	—	—	\$154,387,500	0.00011020	\$17,014
Fees Previously Paid	Equity	Ordinary Shares, \$0.0001 par value per share	Rule 457(o)	—	—	\$100,000,000	0.00011020	\$11,020
				Total Offering Amounts		\$154,387,500		\$17,014
				Total Fees Previously Paid				\$11,020
				Total Fee Offsets				—
				Net Fee Due				\$5,994

(1) These Ordinary Shares are represented by American depositary shares, or ADSs each of which represents three Ordinary Shares of the registrant. ADSs issuable upon deposit of the Ordinary Shares registered hereby are being registered under a separate registration statement on Form F-6.

(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(3) Includes the aggregate offering price of additional Ordinary Shares represented by ADSs that the underwriters have the option to purchase solely to cover over-allotments, if any.