As confidentially submitted to the Securities and Exchange Commission on February 14, 2022.
This draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains strictly confidential.

Registration No. 333-

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

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

ShouTi Inc.
(Exact name of registrant as specified in its charter)

Cayman Islands	**2834**	**98-1480821**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(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.
Chief Executive Officer
ShouTi Inc.
611 Gateway Blvd., Suite 223
South San Francisco, CA 94080
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

James Lu
Charles S. Kim
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(858) 550-6000

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Matthew T. Bush
Latham & Watkins LLP
12670 High Bluff Drive
San Diego, California 92130
(858) 523-5400

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	☐	Accelerated filer	☐
Non-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 , 2022

PRELIMINARY PROSPECTUS

American Depository Shares

Representing Ordinary Shares

We are offering American depositary shares, or ADSs, representing ordinary shares, par value $0.0001 per share. Each ADS represents 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 $ and $ per ADS. We intend to apply to list our ADSs on the Nasdaq Global Market under the symbol " ."

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.

Investing in our ADSs involves a high degree of risk. Please read the section titled "Risk Factors" beginning on page 14 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 ShouTi Inc., before expenses	$	$

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

Delivery of the ADSs is expected to be made on our about , 2022.

We have granted the underwriters an option for a period of 30 days to purchase an additional 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 $.

Jefferies SVB Leerink Guggenheim Securities BMO Capital Markets

Prospectus dated , 2022

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Through and including , 2022 (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," "ShouTi," "we," "us," "our" and similar references in this prospectus refer to ShouTi Inc. and its subsidiaries.

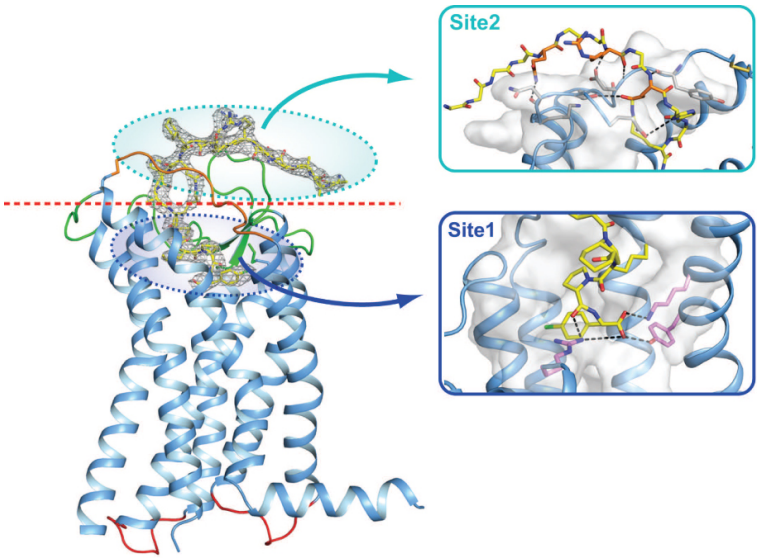
Overview

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 GSBR-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 expect to initiate a Phase 1 study of GSBR-1290 in . Beyond GSBR-1290, we are developing multiple generations of GLP-1R candidates, each designed with customized properties to achieve additional benefit. Additionally, we are evaluating ANPA-0073, our small molecule product candidate targeting the apelin receptor, or APJR, for pulmonary arterial hypertension, or PAH, in an ongoing Phase 1 study. We anticipate topline data from this study in . Moreover, we are advancing a differentiated lysophosphatidic acid 1 receptor, or LPA1R, antagonist, LTSE-1593, for the treatment of idiopathic pulmonary fibrosis, or IPF. We expect to initiate a first-in-human study in .

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 potentially best-in-class 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 using iterative structural information by visualizing the interactions of the target binding site with the drug.

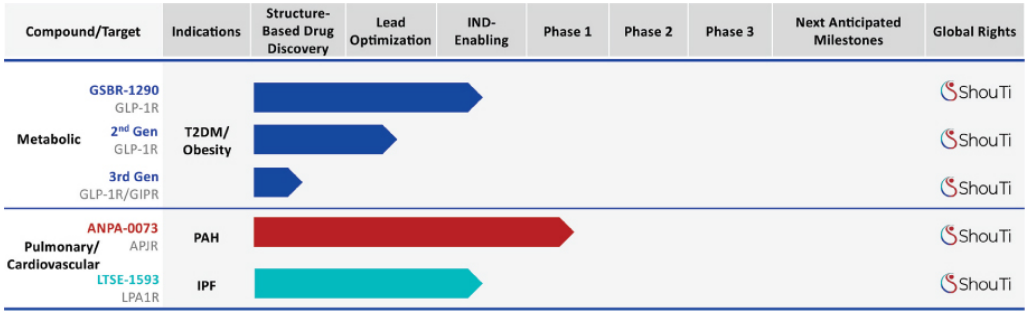


We believe the strengths of our platform position us to develop potentially best-in-class oral small molecule drugs that can deliver biologic-like activity and specificity. Oral small molecules can address many of the key limitations of biologic and peptide drugs, thereby significantly improving patient 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 significant unmet need. Our initial focus is in areas of metabolic, cardiovascular and pulmonary diseases.

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



Our lead product candidate, GSBR-1290, is an oral and fully biased small molecule agonist of GLP-1R, a well-validated GPCR drug target for diabetes and obesity. There are currently five marketed peptide molecules that target GLP-1R; collectively, these peptide therapies generated worldwide sales of $13.1 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 plan to initiate a Phase 1 study in healthy volunteers for GSBR-1290 in . Beyond GSBR-1290, we are developing multiple generations of GLP-1R candidates, each designed with customized properties to achieve additional patient 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 PAH and heart failure. In rat models of PAH, ANPA-0073 reduced pulmonary arterial pressure and improved cardiac function while avoiding the hypotension and cardiac hypertrophy historically seen with other APJR agonists. We are evaluating ANPA-0073 in an ongoing Phase 1 study and anticipate reporting topline data in . Additionally, we are advancing LTSE-1593 for the treatment of IPF. LTSE-1593 is 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 LTSE-1593 in mouse models of fibrotic lung disease and expect to initiate a first-in-human study in .

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, or DPP-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 ShouTi, 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 President of Basecamp Bio, 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 Ipsen, Ltd, Adamas Pharmaceuticals, Inc., and Sangamo Therapeutics, Inc. Ding Ding, Ph.D., our Chief Financial Officer, has 20 years of healthcare investment banking and equity research experience in both the United States and Asia at Credit Suisse Group AG, UBS Group AG, Barclays plc and Lehman Brothers Holdings Inc. Jun Yoon, our Chief Operating 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 $158.0 million, supported by a syndicate of leading global investors, including BVF Partners, Casdin Capital, Cormorant Asset Management, Eight Roads Ventures, F-Prime Capital Partners, Janus Henderson Investors, Lilly Asia Ventures, Monashee Capital, Qiming Venture Partners, Sage Partners, Sequoia Capital China, Stork Capital, Surveyor Capital (a Citadel company), TCG Crossover, Terra Magnum Capital Partners, TF Capital, Woodline Partners, and WuXi AppTec.

Our Strategy

Our mission is to develop best-in-class and broadly accessible oral therapeutics to treat a wide range of chronic diseases with high unmet 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 one product candidate, 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 are in the process of completing our first Phase 1 clinical study and 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 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.
- 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.

Corporate Information

We are a Cayman Islands exempted company incorporated with limited liability. We were initially formed as a Delaware corporation in 2016, 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.shoutipharma.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 ShouTi, the ShouTi 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 $1.07 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	ADSs, each ADS representing 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 additional ADSs.
ADSs to be outstanding immediately after this offering	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
Ordinary shares to be outstanding immediately after completion of this offering	ordinary shares (or 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 % of our ordinary shares represented by ADSs will be held by our public shareholders.
The ADSs	Each ADS represents ordinary shares. The ADSs may be evidenced by American depository receipts. 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. 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. 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. 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. 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.

Use of proceeds	We estimate that the net proceeds from this offering will be approximately $ million (or approximately $ million if the underwriters exercise in full their option to purchase up to additional ADSs), based on the assumed initial public offering price of $ 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. We intend to use the net proceeds from this offering, along with our existing cash, cash equivalents and short-term investments: (i) to develop GSBR-1290, an oral small molecule targeting GLP-1R, and multiple generations of GLP-1R candidates within our GLP-1R franchise; (ii) to develop ANPA-0073, an oral small molecule targeting the APJR; (iii) to develop LTSE-1593, an oral small molecule targeting LPA1R; and (iv) 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.
Risk factors	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.
Depositary	.
Proposed Nasdaq Global Market symbol	" "

The number of ordinary shares to be outstanding after this offering is based on ordinary shares outstanding as of December 31, 2021 (including restricted ordinary shares that remained subject to repurchase rights as of such date and after giving effect to the automatic conversion of all of our preferred shares outstanding immediately upon the closing of this offering), and excludes:

- ordinary shares issuable upon the exercise of outstanding options as of December 31, 2021, with a weighted-average exercise price of $ per share;
- ordinary shares issuable upon the exercise of outstanding options granted subsequent to December 31, 2021, with a weighted-average exercise price of $ per share;
- ordinary shares issuable upon the exercise of outstanding warrants as of December 31, 2021, with a weighted-average exercise price of $ per share;
- ordinary shares reserved for future issuance under our 2022 Equity Incentive Plan, or 2022 Plan, as well as any automatic increases in the number of ordinary shares reserved for future issuance under the 2022 Plan, which will become effective upon the execution and delivery of the underwriting agreement for this offering (including ordinary shares reserved for issuance under our 2019 Equity Incentive Plan, or 2019 Plan, which shares will be added to the 2022 Plan upon its effectiveness); and
- ordinary shares reserved for future issuance under our 2022 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 upon the execution and delivery 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 ordinary shares immediately upon the closing of this offering;
- no exercise by the underwriters of their option to purchase up to 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, and the summary consolidated balance sheet data as of December 31, 2021, from our audited financial statements included elsewhere in this prospectus. Our consolidated financial statements appearing elsewhere in this prospectus have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. 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 the related notes included elsewhere in this prospectus and in the sections titled "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	YEAR ENDED DECEMBER 31,	
	2020	2021
	(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)	
Consolidated Statements of Operations and Comprehensive Loss Data:		
Operating expenses:		
Research and development	$ 12,364	$
General and administrative	3,542	
Total operating expenses	15,906	
Loss from operations	(15,906)	
Interest expense	(24)	
Interest and other income, net	192	
Loss before income tax expense	(15,738)	
Provision for income taxes	138	
Net loss	$ (15,876)	$
Net loss per share attributable to ordinary shareholders, basic and diluted[(1)]	$ (2.56)	$
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted[(1)]	6,262	
Pro forma net loss per share attributable to ordinary shareholders, basic and diluted[(1)]		$
Pro forma weighted-average shares used in computing pro forma net loss per share attributable to ordinary shareholders, basic and diluted[(1)]		

(1) The unaudited pro forma net loss per share for the year ended December 31, 2021 was 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 period.

	AS OF DECEMBER 31, 2021		
	ACTUAL	PRO FORMA[1]	PRO FORMA AS ADJUSTED[2][3]
		(IN THOUSANDS)	
Balance Sheet Data:			
Cash, cash equivalents and short-term investments	$	$	$
Working capital[4]			
Total assets			
Total liabilities			
Redeemable convertible preferred shares			
Accumulated deficit			
Total shareholders' (deficit) equity			

(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 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 ADSs in this offering, based on the assumed initial public offering price of $ 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 $ 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 $ 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 $ 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 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, ANPA-0073, our product candidate for PAH, is 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 complete any clinical trials, 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 $ million for the years ended December 31, 2020 and 2021, respectively. As of December 31, 2021, we had an accumulated deficit of $ 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 GSBR-1290, ANPA-0073 LTSE-1593 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 the next months. In particular, we expect that our existing cash, together with the net proceeds from this offering will allow us to . 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, 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 one product candidate, 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 only have one product candidate, ANPA-0073, in early clinical development. We are investigating ANPA-0073 in a Phase 1 single ascending dose, or SAD, and multiple ascending dose, or MAD, study in healthy volunteers, with plans to develop this product candidate for PAH. We expect to initiate a Phase 1 SAD study of GSBR-1290 in healthy volunteers, in . We plan to develop this product candidate for T2DM and obesity. Our other product candidate, LTSE-1593, and our other programs are still in the preclinical or discovery stages. We will need to progress LTSE-1593 and any other early product candidates through preclinical studies and submit Investigational New Drug applications, or 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 ongoing Phase 1 clinical study and any future 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 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 non-human primates 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 non-human primates 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 ANPA-0073 for PAH, we may encounter new and unforeseen difficulties. Furthermore, GSBR-1290, LTSE-1593 and 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 disease 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 3 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 ongoing Phase 1 SAD and MAD study of ANPA-0073, there have been no serious adverse experiences reported to date. The following adverse events have occurred and have been considered probably or possibly related to study drug: creatine phosphokinase increase, dizziness, electrocardiogram T wave inversion, headache, palpitations, and sinus tachycardia. However, further analysis may reveal AEs inconsistent with the safety profile observed to date. Additionally, while we have not yet completed clinical trials for any of our product candidates, it is likely that there may be side effects associated with their use. 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 GSBR-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 GSBR-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 are in the process of completing our first Phase 1 clinical study and 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 Phase 1 clinical studies and later-stage and pivotal clinical trials in order to seek FDA or applicable foreign authority approval to market GSBR-1290, ANPA-0073 LTSE-1593 and any future product candidates we may develop. Carrying out clinical trials and the submission of NDAs is complicated. We are in the process of

conducting our first Phase 1 clinical study for ANPA-0073 and have not yet conducted any clinical trials for our other product candidates. 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 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 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 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, which would enable us to commence Phase 2 and possibly registration clinical trials in the United States following submission of an IND without the need for us to repeat our Phase 1 clinical studies in the United States. There can be no assurance the FDA or applicable foreign authorities will accept data from our ongoing Phase 1 clinical study for ANPA-0073 or any other clinical studies that we 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 COVID-19 pandemic, in March 2020, the FDA announced its intention to postpone most inspections of foreign manufacturing facilities, and on March 18, 2020, the FDA temporarily postponed routine surveillance inspections of domestic 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, on April 15, 2021, the FDA issued a guidance document in which the FDA described its plans to conduct voluntary remote interactive evaluations of certain drug manufacturing facilities and clinical research sites, among other facilities. According to the guidance, the FDA may request such remote interactive evaluations where the FDA determines that remote evaluation would be appropriate based on mission needs and travel limitations. In May 2021, the FDA outlined a detailed plan to move toward a more consistent state of inspectional operations, and in July 2021, the FDA resumed standard inspectional operations of domestic facilities and was continuing to maintain this level of operation as of September 2021. 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, including our ongoing clinical trial for ANPA-0073 and any future clinical trials and preclinical studies 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 or 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 Schrodinger, 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, and Horizon Therapeutics plc; myelin restoration and neuroinflammation by Pipeline Therapeutics.

Additional, potential competitors include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

Many of our competitors, 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 rapidly 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 supply chain and patient enrollment in our ongoing clinical trials for ANPA-0073 as a direct result of COVID-19. 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.

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, 2021, we had 50 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. Thus, the ACA will remain in effect in its current form. Prior to the Supreme Court's decision. President Biden issued an executive order that initiated a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the Health Care Reform Act 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. 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. 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. 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. Further, it is possible that additional governmental action is taken in response to the ongoing COVID-19 pandemic.

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 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 sophisticated and 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, 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.

There is no way of knowing with certainty whether we have experienced any data security incidents that have not been discovered. While we have no reason to believe this to be the case, 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. 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 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 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 the Health Information Technology for Economic and Clinical Health Act of 2009, and regulations promulgated thereunder, or collectively, HIPAA, 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 couldface 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. Similar laws have passed in Virginia and Colorado, and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. For example, on March 2, 2021, Virginia enacted the Virginia Consumer Data Protection Act, or CDPA, which becomes effective on January 1, 2023, and on June 8, 2021, Colorado enacted the Colorado Privacy Act, or CPA, which takes effect on July 1, 2023. The CPA and CDPA 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 EEA to the United States. Although one of the primary mechanisms for legally transferring personal data (known as Privacy Shield) was invalidated, the European Commission released a set of "Standard Contractual Clauses", or SCCs, in June 2021 that are designed to be a valid mechanism by which entities can validly transfer personal data out of the EEA to jurisdictions that the European Commission has not found to provide an adequate level of protection. The Standard Contractual Clauses, however, require parties that rely upon that legal mechanism to comply with additional obligations, such as conducting transfer impact assessments to determine whether additional security measures are necessary to protect the at-issue personal data. 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 (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. 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 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; (f) appropriate technical and organizational security measures must be taken to prevent unauthorized or unlawful processing, accidental loss or destruction of personal data; and (g) 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 People's Republic of China, or 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.

On July 10, 2021, the Cyberspace Administration of China, or 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 PRC regulatory authorities, the CAC released the final version of the Revised Draft CAC Measures, or the Revised CAC Measures, which would come 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 they process personal information of more than one million persons and aiming to list on foreign stock markets, or the data processing activities influence or may influence 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 was released only for public comment, the final version and the effective date thereof may be subject to change with substantial uncertainty. 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 and whether the PRC 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.

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 Standing Committee of the National People's Congress of the PRC, or the SCNPC, promulgated the Biosecurity Law of the PRC, which became effective in April 2021. The Biosecurity Law of the PRC 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.

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

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 substantive 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 renminbi;
- 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 waste water, 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.

Substantially all of our technology development and early discovery operations are 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. 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 immediate 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 market. 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 patent offices in the United States and abroad. 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 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 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 launch our products. Although we require all of our employees, consultants, collaborators, contract research organizations, 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 licenses 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 our 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.

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 claims, but instead only to 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 GSBR-1290, ANPA-0073 LTSE-1593 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 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 issuing 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 ADS 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 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 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 this 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 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 claim invalid even though the same evidence would be insufficient to invalidate the 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 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 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. The initial offering price was determined by negotiations among the lead underwriters and us. Among the factors considered in determining the initial public offering price were 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 pre-clinical 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- and medium-term, investment-grade, interest-bearing instruments, certificates of deposit or direct or guaranteed 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. (iii) computer operations controls to ensure that processing, transfer of data, and data backups are monitored; and (iv) program development controls to ensure that new software development is tested, authorized and implemented appropriately. 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 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 will 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 new chief financial officer and a senior director of SEC reporting and technical reporting to bolster our reporting, technical 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 new chief financial officer and senior director of SEC reporting and technical reporting in December 2021, 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 $ 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 $ 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 January 31, 2022, our executive officers, directors, five percent shareholders and their affiliates beneficially owned approximately 17.60% of the voting power of our outstanding share capital, and, upon the closing of this offering, that same group will hold approximately % of the voting power of our outstanding share capital (assuming no exercise of the underwriters’ option to purchase additional shares and no purchases of shares in this offering 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 ordinary shares outstanding, including ordinary shares represented by ADSs, based on the number of shares outstanding as of December 31, 2021. 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 the holders of our outstanding share capital 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 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 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 depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, 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 depositary 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 depositary 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 depositary 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 $ million of U.S. federal NOLs and $ million of state net operating losses, or NOLs. U.S. federal NOL carryforwards totaling $ million can be carried forward indefinitely under current law. State NOL carryforwards totaling $ 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 $ million and $ 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 Internal Revenue Code of 1986, as amended, or 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 net operating losses 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, 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 controls 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 $1.07 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 section titled "Description of Ordinary Shares—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 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 depositary. However, the depositary 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 depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

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 reporting and other obligations under the Exchange Act, including 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 ADSs in this offering will be approximately $ million (or approximately $ 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 $ 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 $ 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 $ 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 $ per ADS, would increase (decrease) our net proceeds from this offering by approximately $ 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 $ million to develop GSBR-1290, an oral small molecule targeting GLP-1R, and multiple generations of GLP-1R candidates within our GLP-1R franchise;
- approximately $ million to develop ANPA-0073, an oral small molecule targeting APJR;
- approximately $ million to develop LTSE-1593, an oral small molecule targeting LPA1R; 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 for at least the next months from the date of this prospectus, and, with respect to , through .

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 December 31, 2021:

- 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 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 ordinary shares represented by ADSs by us in this offering at the assumed public offering price of $ 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 sections titled "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	AS OF DECEMBER 31, 2021		
	ACTUAL	PRO FORMA	PRO FORMA AS ADJUSTED[1][2]
	(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)		
Cash, cash equivalents and short-term investments	$	$	$
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	$	$	$
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			
Series B preferred shares, $0.0001 par value; 24,701,732 shares authorized, 24,701,732 shares issued and outstanding, actual, and no shares authorized or outstanding, pro forma and pro forma as adjusted			
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			
Shareholders' equity:			
Ordinary shares, $0.0001 par value; 441,137,185 shares authorized, 10,894,166 shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; and shares authorized, shares issued and outstanding, pro forma as adjusted			

	AS OF DECEMBER 31, 2021		
	ACTUAL	PRO FORMA	PRO FORMA AS ADJUSTED[1][2]
	(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)		
Additional paid-in capital			
Accumulated other comprehensive income			
Accumulated deficit			
Total shareholders' (deficit) equity			
Total capitalization	$	$	$

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ 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 $ 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 $ 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 ordinary shares outstanding as of December 31, 2021 (including restricted ordinary shares that remained subject to repurchase rights as of such date and after giving effect to the automatic conversion of all of our preferred shares outstanding immediately upon the closing of this offering), and excludes:

- ordinary shares issuable upon the exercise of outstanding options as of December 31, 2021, with a weighted-average exercise price of $ per share;
- ordinary shares issuable upon the exercise of outstanding options granted subsequent to December 31, 2021, with a weighted-average exercise price of $ per share;
- ordinary shares issuable upon the exercise of outstanding warrants as of December 31, 2021, with a weighted-average exercise price of $ per share;
- ordinary shares reserved for future issuance under our 2022 Plan, as well as any automatic increases in the number of ordinary shares reserved for future issuance under the 2022 Plan, which will become effective upon the execution and delivery of the underwriting agreement for this offering (including ordinary shares reserved for issuance under our 2019 Plan, which shares will be added to the 2022 Plan upon its effectiveness); and
- 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 and delivery 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 December 31, 2021, we had a historical net tangible book value deficit of $ million, or $ per ordinary share and $ per ADS. We calculate net tangible book value 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 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 ordinary shares represented by ADSs by us in this offering at the assumed initial public offering price of $ 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 $ 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 December 31, 2021 would have been approximately $, or $ per ordinary share and $ per ADS. This represents an immediate increase in net tangible book value of $ per ordinary share and $ per ADS to existing shareholders and an immediate dilution in net tangible book value of $ per ordinary share and $ per ADS to you. The following table illustrates such dilution:

Assumed initial public offering price per ADS		$
Historical net tangible book value (deficit) per ADS as of December 31, 2021	$	
Pro forma increase per ADS attributable to the pro forma effects described above		
Pro forma net tangible book value per ADS as of December 31, 2021		
Increase in pro forma as adjusted net tangible book value per ADS attributable to new investors purchasing ADSs in this offering		
Pro forma as adjusted net tangible book value ADS after this offering		
Dilution per ADS to new investors purchasing shares in this offering		$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ 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 $ per ordinary share and $ 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 $ per ordinary share and $ per ADS, assuming the assumed 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 $ per ordinary share and $ per ADS, assuming the assumed 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 $ per ordinary share and $ per ADS, and the dilution in pro forma as adjusted net tangible book value to investors in this offering would be $ per ordinary share and $ per ADS. The following table sets forth, on a pro forma as adjusted basis as of December 31, 2021, 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 $ (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		TOTAL CONSIDERATION		WEIGHTED-AVERAGE PRICE PER ADS
	NUMBER	PERCENT	AMOUNT	PERCENT	
Existing shareholders before this offering			$	%	$
Investors purchasing ADSs in this offering					$
Total		100.0%	$	100.0%	

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS would decrease (increase) the total consideration paid by new investors by approximately $ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by 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 $ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by 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 %, and the percentage of our ordinary shares held by new investors would be increased to %.

The number of ordinary shares to be outstanding after this offering is based on ordinary shares outstanding as of December 31, 2021 (including restricted ordinary shares that remained subject to repurchase rights as of such date and after giving effect to the automatic conversion of all of our preferred shares outstanding immediately upon the closing of this offering), and excludes:

- ordinary shares issuable upon the exercise of outstanding options as of December 31, 2021, with a weighted-average exercise price of $ per share;
- ordinary shares issuable upon the exercise of outstanding options granted subsequent to December 31, 2021, with a weighted-average exercise price of $ per share;
- ordinary shares issuable upon the exercise of outstanding warrants as of December 31, 2021, with a weighted-average exercise price of $ per share;
- ordinary shares reserved for future issuance under our 2022 Plan, as well as any automatic increases in the number of ordinary shares reserved for future issuance under the 2022 Plan, which will become effective upon the execution and delivery of the underwriting agreement for this offering (including ordinary shares reserved for issuance under our 2019 Plan, which shares will be added to the 2022 Plan upon its effectiveness); and
- 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 and delivery 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.

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

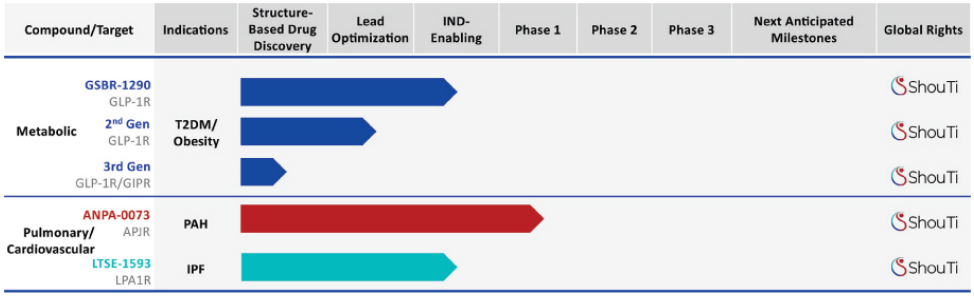
You should carefully read, consider, and evaluate the following discussion and analysis of our financial condition and results of operations together with the section titled "Selected Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this 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 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 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 expect to initiate a Phase 1 study of GSBR-1290 in . Beyond GSBR-1290, we are developing multiple generations of GLP-1R candidates, each designed with customized properties to achieve additional benefit. Additionally, we are evaluating ANPA-0073, our small molecule product candidate targeting the apelin receptor, or APJR, for PAH, in an ongoing Phase 1 study. We anticipate topline data from this study in . Moreover, we are advancing a differentiated LPA1R, antagonist, LTSE-1593, for the treatment of IPF. We expect to initiate a first-in-human study in .

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



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, 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 $ million in the years ended December 31, 2020 and 2021, respectively, and had an accumulated deficit of $ million as of December 31, 2021. We have financed our operations primarily through the private placement of equity securities and have received aggregate gross proceeds of approximately $158.0 million to date. As of December 31, 2021, we had cash, cash equivalents and short-term investments of $ 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 for at least the next months from the date of this prospectus. 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 have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus and have closed non-essential businesses. As 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 not experienced a significant disruption or delay in our operations as it relates to the preclinical development of our product candidates. 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 U.S. Food and Drug Administration's, or 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, 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 entered into the Lhotse-Schrödinger Agreement with Schrödinger to discover and develop novel, orally bioavailable, small molecule inhibitors of LPA1R, including our lead product candidate for the treatment of IPF, LTSE-1593. 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. 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 Expense

Interest expense consists of the amortization of debt issuance costs under our Loan and Security Agreement, or the SVB Agreement, with Silicon Valley Bank, or SVB.

Interest and Other Income, Net

Interest and other income, net primarily consists of interest income earned on our cash, cash equivalents and short-term investments.

Results of Operations

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

	YEAR ENDED DECEMBER 31,	
	2020	2021
Operating expenses:		
Research and development	$ 12,364	$
General and administrative	3,542	
Total operating expenses	15,906	
Loss from operations	(15,906)	
Interest expense	(24)	
Interest and other income, net	192	
Loss before income tax expense	(15,738)	
Provision for income taxes	138	
Net loss	$ (15,876)	$

Research and Development Expenses

Research and development expenses increased $ million, or %, to $ 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 .

	YEAR ENDED DECEMBER 31,		INCEPTION TO DATE DECEMBER 31,
	2020	2021	2021
		(IN THOUSANDS)	
ANPA-0073	$ 2,899	$	$
GSBR-1290	6,884		
LTSE-1593	1,767		
Other	814	—	—
Total R&D	$12,364	$	$

General and Administrative Expenses

General and administrative expenses increased $ million, or %, to $ 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 Expense

Interest expense increased $ million to $ million during the year ended December 31, 2021, compared to $0.1 million during the year ended December 31, 2020. Interest expense consisted of the amortization of debt issuance costs for our SVB Agreement.

Interest and Other Income, Net

Interest and other income, net, increased $ million to $ million during the year ended December 31, 2021, compared to $0.2 million during the year ended December 31, 2020. The increase in interest and other income, net, was primarily due to interest income from our higher cash, cash equivalent and short-term investment balances.

Liquidity and Capital Resources

Since we were reorganized as a Cayman Islands exempted company in February 2019, we have funded our operations primarily with an aggregate of $158.0 million in gross cash proceeds from the sale of redeemable convertible preferred shares. As of December 31, 2020, we had cash, cash equivalents and short-term investments of $37.4 million and an accumulated deficit of $22.9 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.

Silicon Valley Bank Loan

On August 4, 2020, we entered into the SVB Agreement, with 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 bears 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. Tranche A was not drawn by us and expired on July 31,2021.

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 Tranche A shares expired on July 31, 2021, as we elected to allow the Tranche A to expire unused on July 31, 2021. The SVB Loan is collateralized by substantially all of our assets, including cash, cash equivalents and short-term investments, accounts receivable, intellectual property and equipment. The SVB Agreement includes customary restrictive covenants, financial covenants, events of default and other customary terms and conditions. The financial covenants require us to maintain at least 51% of our cash, cash equivalents and short-term investments with SVB, except for $1.0 million, which may be at financial institutions other than SVB or its affiliates. In addition, we must conduct all our primary banking with SVB or its affiliates. As of December 31, 2021, we were in compliance with all the covenants contained in the SVB Agreement. As of December 31, 2021, no amounts had been drawn under the SVB Agreement.

Funding Requirements

Prior to this offering, we financed our operations primarily through the private placement of equity securities and have received aggregate gross proceeds of approximately $158.0 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 $ million in the years ended December 31, 2020 and 2021, respectively, and had an accumulated deficit of $ million as of December 31, 2021. 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 December 31, 2021, we had cash, cash equivalents and short-term investments of $ 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 this prospectus. However, 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 for at least the next months from the date of this prospectus. 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 it receives 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. 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,	
	2020	2021
Net cash (used in) provided by:		
Operating activities	$ (14,283)	$
Investing activities	(21,147)	
Financing activities	25,837	
Net (decrease) increase in cash and cash equivalents	$ (9,593)	$

Cash Flows Used in Operating Activities

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 $ million, consisting primarily of a net loss of $ million, partially offset by . The cash used in operations was primarily due to . Non-cash charges consisted primarily of share-based compensation. The decrease in net operating assets is primarily due to .

Cash Flows Used in Investing Activities

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 used in investing activities was $ million, consisting primarily of .

Cash Flows Provided by Financing Activities

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 $ million, consisting of .

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 December 31, 2020, our contractual obligations consist of facilities lease payments totaling $0.3 million through December 31, 2022.

Related Parties

For a description of our related party transactions, see the section titled “Certain Relationships and Related Party Transactions.”

Internal Control Over Financial Reporting

In connection with the preparation of the financial statements as of and for the year ended December 31, 2020, material weaknesses in our internal control over financial reporting were identified. 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 will 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 new chief financial officer and a senior director of SEC reporting and technical reporting to bolster our reporting, technical 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 new chief financial officer and senior director of SEC reporting and technical reporting in December 2021, 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. 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 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 the 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. Changes in the following assumptions can materially affect our share-based compensation expense:

- *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 10 to our 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 year ended December 31, 2020.

The intrinsic value of all outstanding options as of December 31, 2021, was approximately $ million, based on the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), of which approximately $ million is related to vested options and approximately $ 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 December 31, 2021, our board allocated the equity value based on the Option Pricing Method, or OPM, which was determined to be the most appropriate method based on our stage of development and other relevant factors. OPM treats the rights of the holders of preferred and ordinary share as equivalent to call options on any value of the enterprise above certain break points of value based on the liquidation preferences of the holders of preferred share, 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. When valuing options granted around the time of an equity financing that is considered arms-length, OPM derives our equity value from the price of our securities issued in the equity financing.

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. 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 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 December 31, 2020, we had cash, cash equivalents and short-term investments of $37.4 million, consisting of interest-bearing money market funds 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

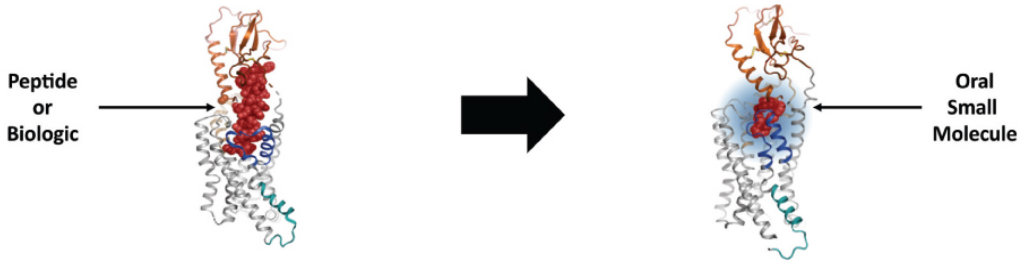
We are a clinical stage global biopharmaceutical company aiming to develop and deliver novel oral therapeutics to treat a wide range of chronic diseases with unmet medical needs. Our differentiated technology platform leverages structure-based drug discovery and computational chemistry expertise and 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 GSBR-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 expect to initiate a Phase 1 study of GSBR-1290 in . Beyond GSBR-1290, we are developing multiple generations of GLP-1R candidates, each designed with customized properties to achieve additional benefit. Additionally, we are evaluating ANPA-0073, our small molecule product candidate targeting the apelin receptor, or APJR, for pulmonary arterial hypertension, or PAH, in an ongoing Phase 1 study. We anticipate topline data from this study in . Moreover, we are advancing a differentiated lysophosphatidic acid 1 receptor, or LPA1R, antagonist, LTSE-1593, for the treatment of idiopathic pulmonary fibrosis, or IPF. We expect to initiate a first-in-human study in .

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 obstacles 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 potentially best-in-class 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 therapeutics



CHALLENGES	OPPORTUNITIES
▪ Poor cellular and tissue permeability	▪ Customizable pharmaceutic properties
▪ Traditionally not orally available	▪ Orally available
▪ Chemically and physically unstable	▪ Chemically and physically stable
▪ Cold supply chain requirements	▪ No cold-chain requirements
▪ Higher costs	▪ Lower costs

We believe the strengths of our platform position us to develop potentially best-in-class 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, GSBR-1290, is an oral and fully biased small molecule agonist of GLP-1R, a well-validated GPCR drug target for diabetes and obesity. There are currently five marketed peptide molecules that target GLP-1R; collectively, these peptide therapies generated worldwide sales of $12.9 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 plan to initiate a Phase 1 study in healthy volunteers for GSBR-1290 in . Beyond GSBR-1290, we are developing multiple generations of GLP-1R candidates, each designed with customized properties to achieve additional patient 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 PAH and heart failure. In rat models of PAH, ANPA-0073 reduced pulmonary arterial pressure and improved cardiac function while avoiding the hypotension and cardiac hypertrophy historically seen with other APJR agonists. We are evaluating ANPA-0073 in an ongoing Phase 1 study and anticipate reporting topline data in . Additionally, we are advancing LTSE-1593 for the treatment of IPF. LTSE-1593 is 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 LTSE-1593 in mouse models of fibrotic lung disease and expect to initiate a first-in-human study in .

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., or Syrrx (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 ShouTi, 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 President of Basecamp Bio, 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 Ipsen Ltd., Adamas Pharmaceuticals, Inc., and Sangamo Therapeutics, Inc. Ding Ding, Ph.D., our Chief Financial Officer, has 20 years of healthcare investment banking and equity research experience in both the United States and Asia at Credit Suisse Group AG, UBS Group AG, Barclays plc and Lehman Brothers Holdings Inc. Jun Yoon, our Chief Operating Officer and co-founder, has over 20 years of industry operating experience at Cellerant Therapeutics, Inc., VIA Pharmaceuticals, Inc. and Syrrx.

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 $158.0 million, supported by a syndicate of leading global investors, including BVF Partners, Casdin Capital, Cormorant Asset Management, Eight Roads Ventures, F-Prime Capital Partners, Janus Henderson Investors, Lilly Asia Ventures, Monashee Capital, Qiming Venture Partners, Sage Partners, Sequoia Capital China, Stork Capital, Surveyor Capital (a Citadel company), TCG Crossover, Terra Magnum Capital Partners, TF Capital, Woodline Partners, and WuXi AppTec.

Our Strategy

Our mission is to develop best-in-class and broadly accessible oral therapeutics to treat a wide range of chronic diseases with high unmet 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 significant unmet 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 multiple generations of GLP-1R 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,

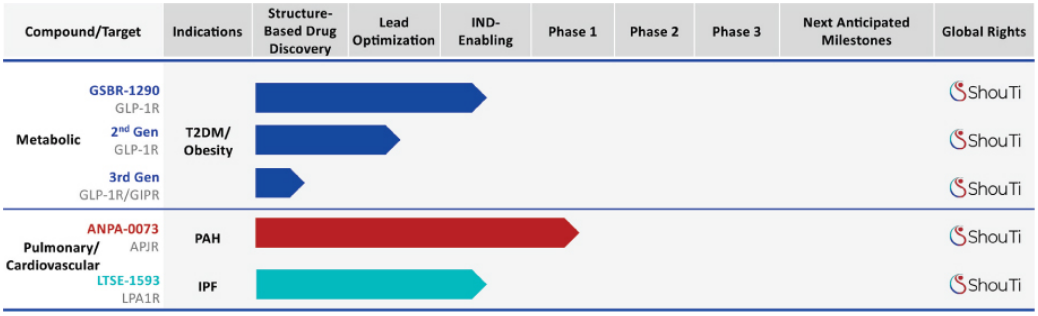
has the potential to be a differentiated treatment for T2DM and obesity, and we expect to initiate a Phase 1 study in T2DM in . Our second generation GLP-1R program is focused on a differentiated profile with increased brain penetration and the potential for enhanced clinical benefit. Our third generation program is aimed towards 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 lead APJR agonist product candidate, ANPA-0073, we anticipate topline data from our ongoing Phase 1 study in . We plan to initiate a drug-drug interaction Phase 1 study in , followed by a Phase 2 proof-of-concept trial in PAH patients. In addition, we are evaluating LPA1R antagonism in IPF, and our lead candidate in this program, LTSE-1593, is on track to enter investigational new drug, or IND, -enabling and GLP toxicology studies in . 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 significant unmet 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:



Metabolic

We are initially advancing our GLP-1R franchise as a treatment for T2DM and obesity, conditions affecting approximately 462 million and 650 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 potent 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 plan to initiate a Phase 1 single ascending dose, or SAD, study in to determine pharmacokinetic and pharmacodynamic properties. We anticipate topline data in . We will initially focus on T2DM with a secondary focus on obesity.

- ***Second generation.*** Our second generation GLP-1R agonist program is focused on developing novel small molecules with improved brain penetration and potential for additional benefits in obesity through enhanced appetite control and weight loss.
- ***Third generation.*** Our third generation small molecule program is focused on GLP-1R/GIPR modulation with the potential for enhanced metabolic control.

Pulmonary and Cardiovascular

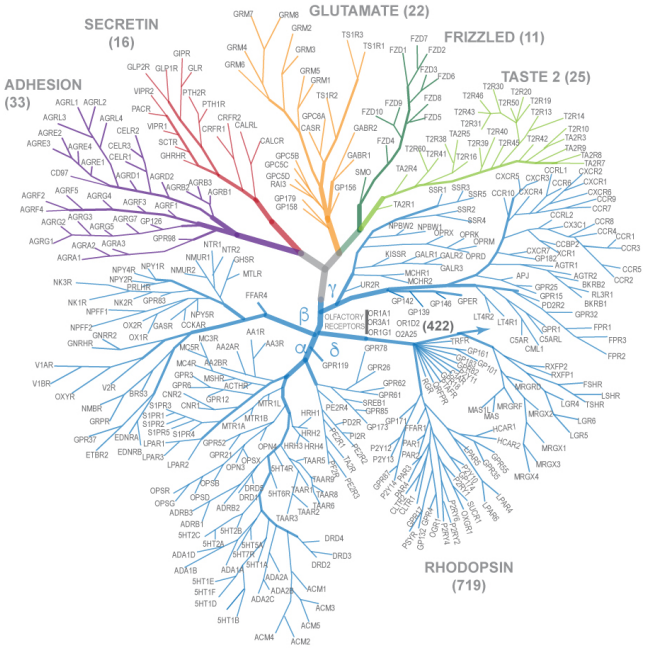
Our APJR agonist program is our most advanced program. We will evaluate our lead candidate in this program initially for PAH. In another program, we are evaluating an LPA1R antagonist for IPF.

- ***ANPA-0073***. Our APJR product candidate, ANPA-0073, is a G-protein biased APJR agonist currently in a Phase 1 SAD and multiple ascending dose, or MAD, study. Compared to non-biased APJR agonists, ANPA-0073 exhibited no detectable desensitization of APJR and avoided β-arrestin-related adverse effects, including hypotension and cardiac hypertrophy, in preclinical studies. We anticipate topline data from the Phase 1 SAD and MAD study in . We plan to initiate a drug-drug interaction Phase 1 study in , followed by a Phase 2 proof-of-concept trial in PAH patients.
- ***LTSE-1593.*** LTSE-1593 has demonstrated anti-fibrotic activity in animal models supporting its potential in treating IPF. We are completing preclinical studies in order to enable a regulatory submission to initiate first-in-human study in .

GPCRs as a Therapeutic Target Family

GPCRs form the largest human membrane protein family consisting of 826 identified members as illustrated in 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.

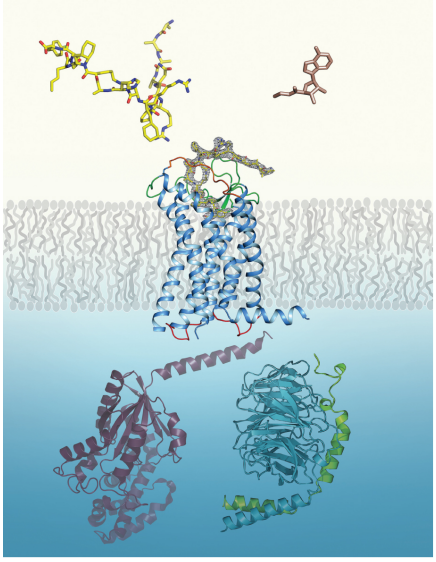
Phylogenetic tree of GPCR targets



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– 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 pharmacological 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.

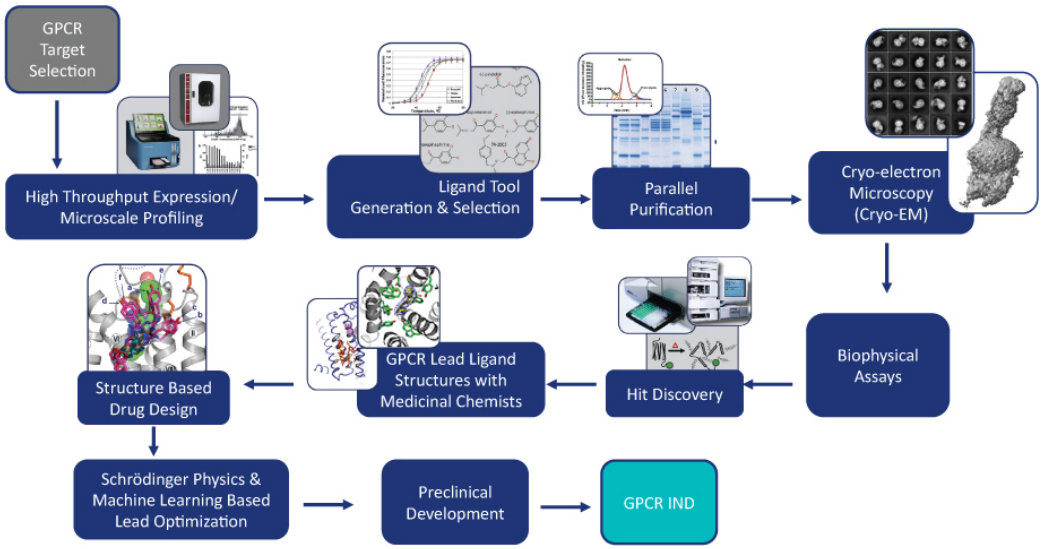
Our Platform and Approach

Our platform is based on techniques that our founders have been evolving for over 25 years and delivered 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 capability to visualize the three-dimensional protein structures of the target and the ligands, 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.

ShouTi 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 potential best-in-class oral small molecule drugs that can deliver biologic like activity and specificity.

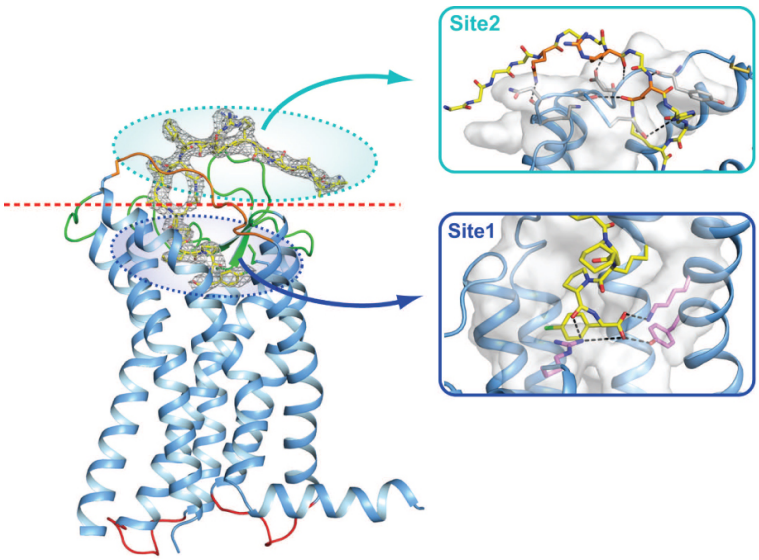
Strategic GPCR Target Prioritization

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 target indication.

Expertise in GPCR Structure-Based Drug Discovery

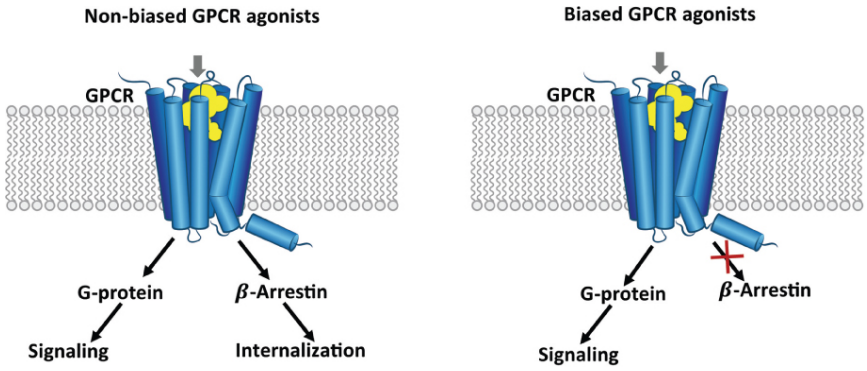
GPCRs are difficult to characterize structurally because they are composed of seven transmembrane domains, have low expression, and are unstable outside of the cell membrane environment. While structure-based approaches have been utilized for decades in soluble protein drug discovery, recent breakthrough 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 pharmaceutic properties of our small molecules with the aim to elicit the desired function while maintaining superior pharmaceutical properties.

Non-biased vs biased GPCR agonists



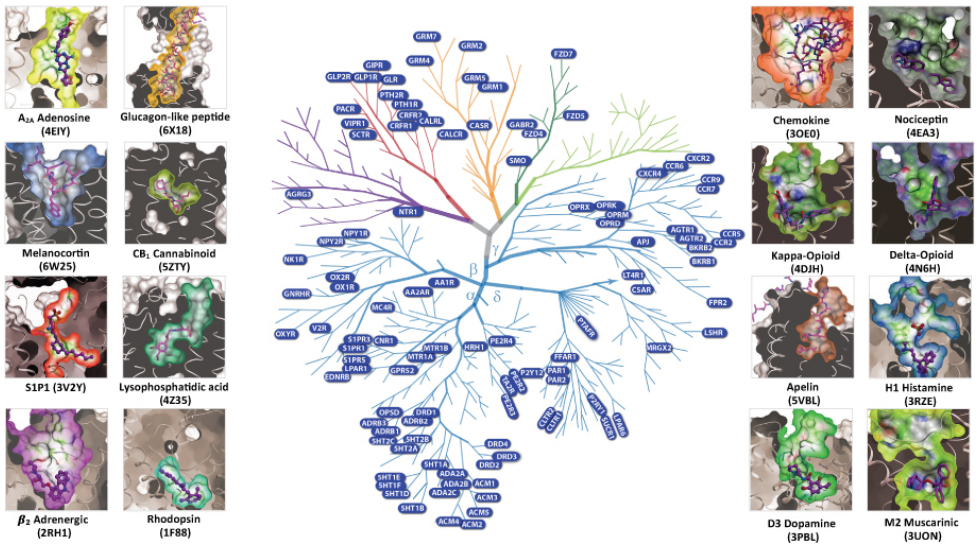
Additionally, GPCR signaling can follow several pathways and molecules can be designed such that their pharmacology is selected to create "biased signaling" as illustrated above. GPCRs are known to signal not only through G-proteins, but also through β-arrestins, intracellular proteins that "arrest" 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 design highly selective "biased" molecules that preferentially activate G-protein and not β-arrestin pathways, with the potential for enhanced clinical activity as well as 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 can 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



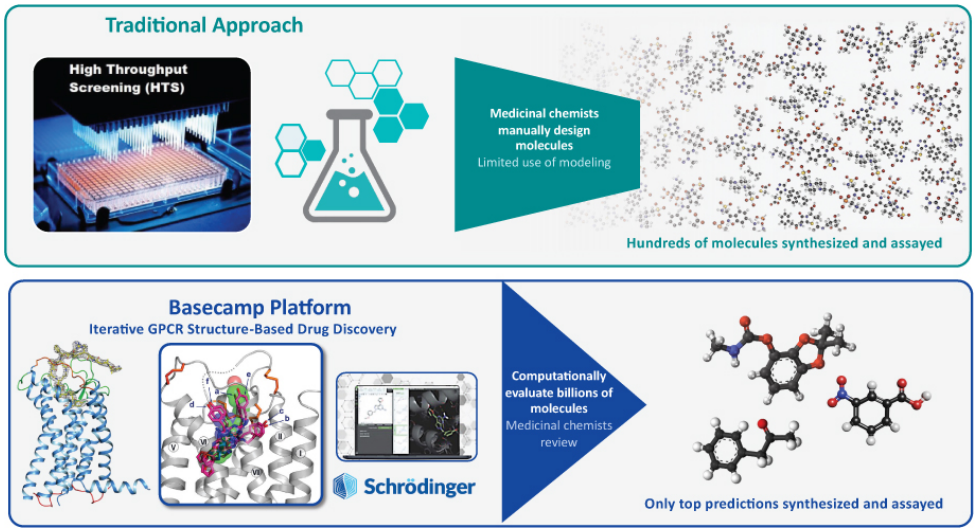
Four character code at end of each image is Protein Data Bank ID.

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.

ShouTi integrated platform compared to traditional approach



As shown above, our collaboration with Schrödinger enables us to accelerate our lead optimization drug discovery process, reduce development cost, and we believe increase likelihood of clinical success compared to traditional drug discovery processes. In our partnership with Schrödinger on GPCR drug discovery, we retain the full product rights on the compounds under development.

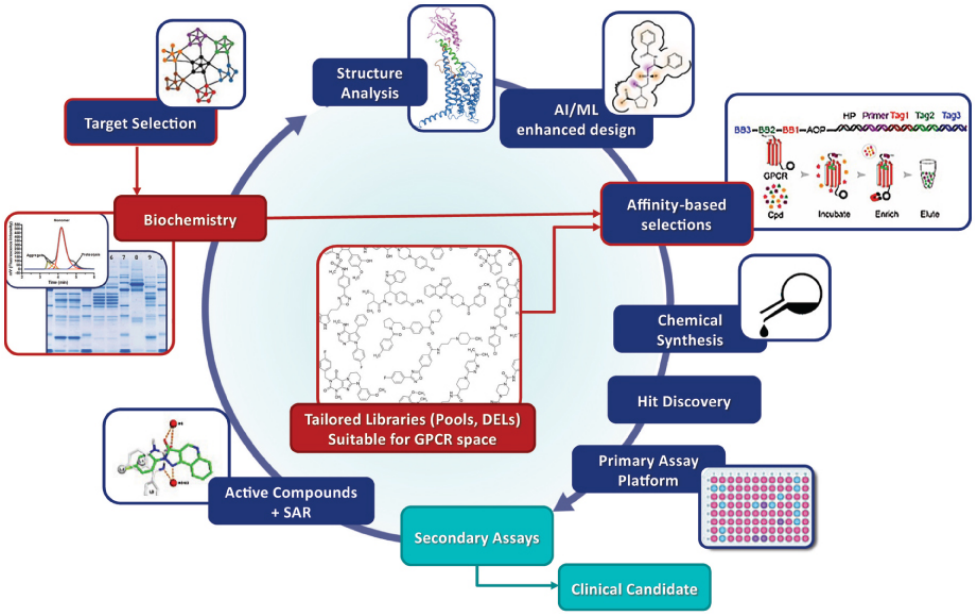
Safety Assays

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 designed molecules to help minimize safety risk 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, our wholly-owned subsidiary, 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 high unmet 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 multiple generations of GLP-1R candidates, with each exhibiting customized properties to achieve additional benefit. Our lead GLP-1R product candidate, GSBR-1290, has the potential to be a differentiated treatment for T2DM and obesity based on preclinical data.

GSBR-1290 is an oral and fully biased agonist of the GLP-1R, a well-validated GPCR drug target involved in a variety of metabolic conditions. We plan to initiate a Phase 1 SAD study for GSBR-1290 in healthy volunteers in and expect to report topline data in . Based on our preclinical data, we believe that GSBR-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, that 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 type-2 diabetes. 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 obesity, 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, and 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 20-79 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 20-79 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 had risen to $327 billion in 2017, which includes $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 $\geq$ 30 kg/m^2, is a major independent risk factor for T2DM. Approximately 90% of T2DM patients are considered either overweight with a BMI between 25.0 kg/m^2 and 29.9 kg/m^2, or obese with a BMI of 30 kg/m^2 or greater. Worldwide obesity has nearly tripled between 1975 and 2016. As of 2016, 1.9 billion (39%) adults were overweight, including over 650 million (13%) adults who were obese. In adults, being slightly overweight increased diabetes risk five-fold and 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. 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 $3.9 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.

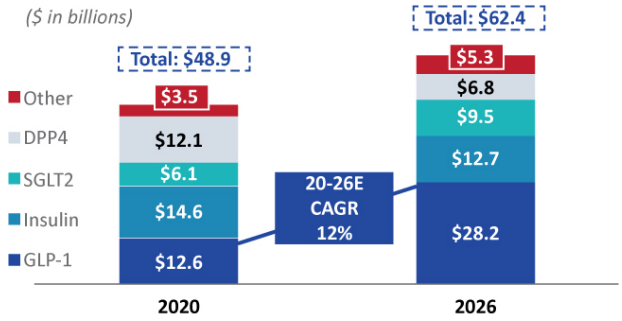
Increasingly, weight reduction is seen as an important goal of therapy for patients with T2DM. Weight loss in the first year of treatment of T2DM has been associated with an increase in life expectancy. According to the ADA Standards of Medical Care in Diabetes—2022, management of obesity is an important 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. The European Society of Cardiology guidelines have gone even further in recommending 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 Evaluate Pharma, Eli Lilly and Company, or Eli Lilly, Novo Nordisk, Merck and Sanofi S.A., or Sanofi, have captured significant market share in the approximately $49 billion market for glucose-lowering agents in 2020, which is projected to grow to $62.4 billion by 2026 as depicted below.

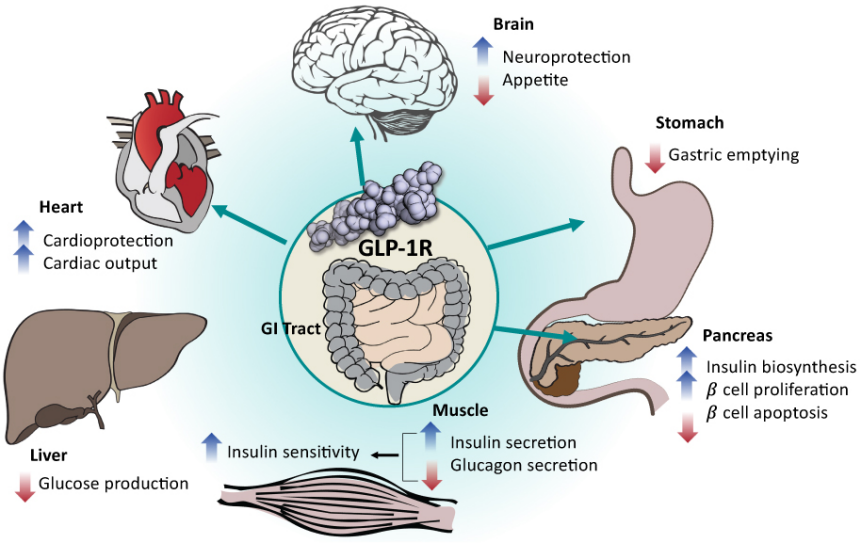
Historical and projected global type-2 diabetes drug sales by class



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 S.A. According to Evaluate Pharma, these five GLP-1R peptides approved for T2DM and/or obesity collectively generated approximately. $12.9 billion in worldwide sales in 2020, which is projected to reach $26.1 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 stop 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. With a once-daily therapy, we may be able to achieve optimal dosing sooner.

The Unmet 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, including overnight fasting, 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 need for GLP-1R agonists that meet or exceed efficacy and safety parameters of available drugs while being orally administered without restrictive food or fluid dosing protocols, that do not require refrigeration, that maintain effective concentrations throughout the dosing interval, that do not interfere 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.

As noted above, weight management is increasingly viewed as important to management of T2DM, in addition to glycemic control. 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.

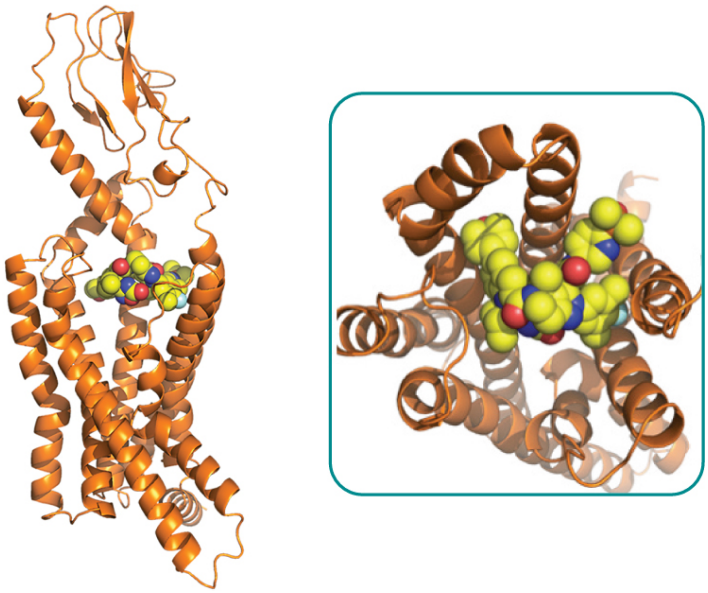
Our Solution: Small Molecule GLP-1R Agonist

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 multiple generations of GLP-1 agonists and as well as potential GIPR modulators. Leveraging the depth of our GLP-1R/GIPR structure platform, proprietary compound library and deep biology/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 potent, 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

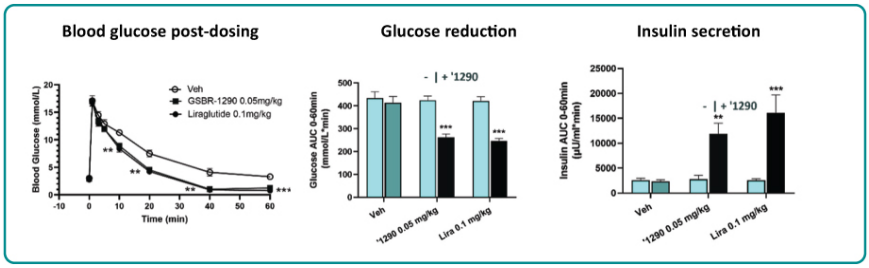


GSBR-1290 was designed through our internal structure-based drug discovery platform. As shown above, multiple small molecules bound to GLP-1R structures have been generated to guide iterative chemistry design efforts. GSBR-1290 is also designed to be a biased GPCR agonist, which only activates the G-protein pathway without β-arrestin signaling at therapeutic doses, thereby avoiding receptor internalization and de-sensitization. In an intravenous glucose tolerance test, or ivGTT, in NHPs, GSBR-1290 increased glucose-dependent insulin secretion to a similar level achieved by liraglutide, an injectable GLP-1R agonist. In a repeat food intake study in NHPs, GSBR-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 GSBR-1290 (0.05 mg/kg) or liraglutide (0.1 mg/kg). Plasma samples were taken at indicated timepoints to evaluate insulin and glucose levels. GSBR-1290 demonstrated statistically significant decreases in blood glucose concentration and increases of insulin secretion, similar to liraglutide which was dosed at an equivalent approved human dose.

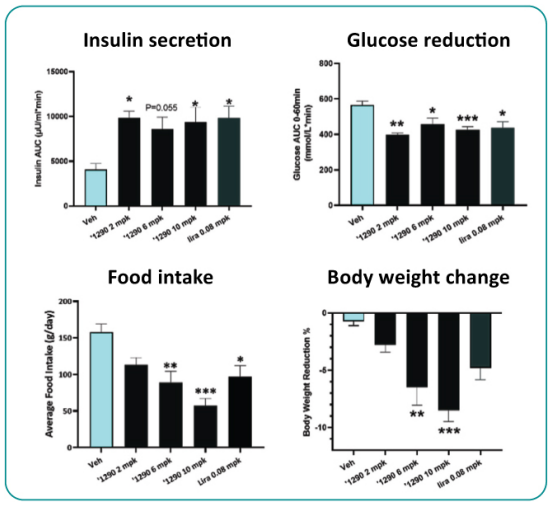
Robust activity in non-human primate acute ivGTT studies



*Data were presented as mean ± 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 above, in a seven day repeat oral dosing study in NHPs, GSBR-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 6 days of the study and reported as an average of these measurements. ivGTT and body weight were performed on the seventh day of post-dosing. At all doses of GSBR-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 bigger data variability. At 6 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 GSBR-1290 food intake was nearly halved relative to liraglutide. GSBR-1290 at 6 and 10 mg/kg also showed a significant decrease in body weight relative to placebo and surpassed liraglutide, with the highest dose of GSBR-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 ± 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 0.001 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 has demonstrated to be generally well tolerated based on its 28-day GLP toxicology studies with 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 GSBR-1290 and PF-06882961, a clinical stage compound in development by Pfizer. Unlike GSBR-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, GSBR-1290 demonstrated greater *in vivo* activity in an NHP model than was seen with PF-06882961. In the acute ivGTT studies, GSBR-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 GSBR-1290 is at a level much lower than that for PF-06882961. PF-06882961 was dosed in a Phase 1 MAD study at 70 mg twice a day or 120 mg once a day to achieve maximum HbA1c activity.

In-house data showed that PF-06882961 is positive in a glutathione trapping assay. GSBR-1290 showed inactivity in this assay, suggesting reduced risks with long-term use. In addition, GSBR-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.

Eli Lilly also is in clinical development for a small molecule GLP-1R agonist, OWL-833/LY-3502970. It was reported to have a narrow No-Observed-Adverse-Effect-Level, or NOAEL, window in rats at 2 mg/kg/day in its 14-day non-GLP toxicology study, which potentially could limit dose escalation in human.

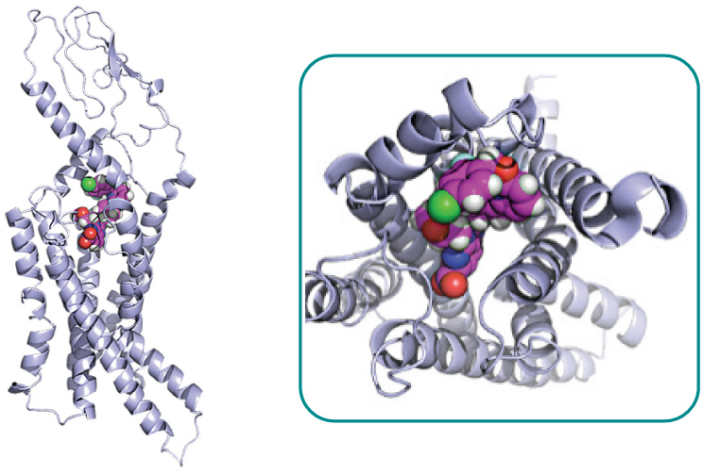
Clinical Development Overview and Milestones

We anticipate a first-in-human SAD Phase 1 study for GSBR-1290 to begin in , with data anticipated in . This study, for which local regulatory approval has been received, will be conducted in Australia in approximately 48 healthy volunteers in six cohorts, designed to assess drug safety and pharmacokinetics. The SAD study will be followed by an IND filing in to support a MAD study in the United States in approximately 20–40 subjects who are overweight or obese but otherwise healthy, and in 40–60 subjects with T2DM on stable doses of metformin. In addition to assessing safety and pharmacokinetics, this study will collect data on glycemic control (in subjects with diabetes) and weight loss, with data available one year later in .

Second Generation GLP-1R Program

We are developing a second generation GLP-1R agonist small molecule, as shown below, designed for increased brain penetration, which may provide additional benefits as a treatment for obesity. Liraglutide and semaglutide have both been approved for chronic weight management. The body weight reduction effect of GLP-1R agonists is mainly through activating the appetite controlling regions in the hypothalamus and hindbrain. Marketed peptide GLP-1R agonists have only limited brain penetration. Our small molecule GLP-1R agonist with higher central nervous system penetration could potentially enhance exposure to, and activity on, the appetite controlling regions in the brain and result in a higher potency treatment for obesity. In our preclinical humanized GLP-1R transgenic mice model, we have evaluated several GLP-1R agonists with different brain penetrations. In these studies, we have observed that higher brain GLP-1R agonist concentration provides much more prominent food intake reduction. A linear correlation has been established between GLP-1R agonist brain concentration and food intake reduction, which guides our second generation GLP-1R agonist candidate selection.

Second generation GSBR molecule bound GLP-1R cryo-EM structure



Overall, we are focusing on a second-generation GLP-1R agonist with improved brain exposure to strengthen our GLP franchise for diabetes and especially obesity. In short-term preclinical studies, several lead second generation molecules have demonstrated food intake reduction comparable to that of semaglutide.

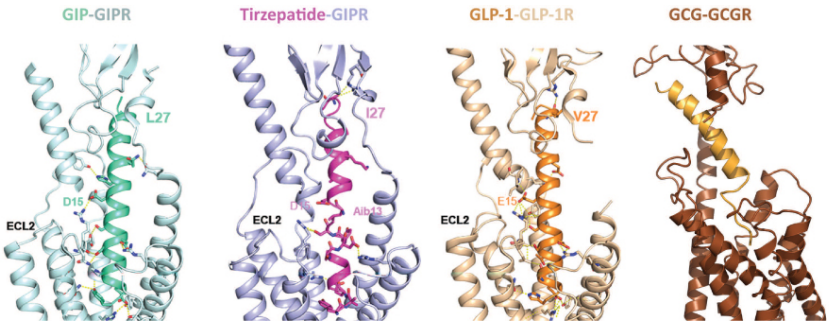
Third Generation GLP-1R Program

In our third generation GLP-1R program, we are exploring orally bioavailable small molecule GLP-1R/GIPR modulation. 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 GIPR 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.

Our APJ Program for the Treatment of PAH

We are developing ANPA-0073, a novel orally-available biased APJR agonist 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 ANPA-0073 given orally has the potential to provide therapeutic benefit through its novel mechanism of action, infrequent dosing, and lack of stringent administration requirements.

We anticipate topline data from our ongoing Phase 1 SAD and MAD study in , followed by initiation of a subsequent Phase 1 study to evaluate drug-drug interactions with standard of care treatment for PAH. Following these studies, we plan to initiate a Phase 2 proof-of-concept trial in .

PAH Overview

PAH Background

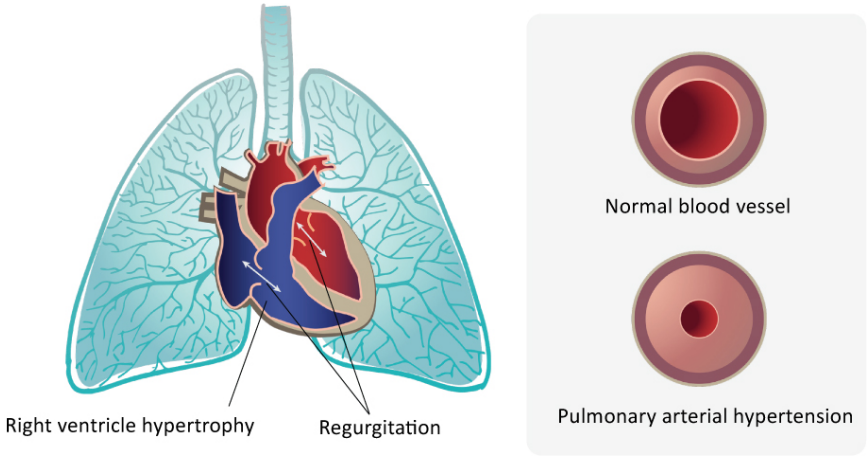
Pulmonary hypertension, or PH, is a group of diseases characterized by remodeling of the pulmonary vasculature that leads to a progressive elevation of blood pressure in the pulmonary circulation from a variety of causes. The World Health Organization, or WHO, has divided PH into five groups based on 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 above, a schematic of PAH pathology, 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 Need

An estimated 40,000-100,000 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 12–30 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. The five-year survival rate for newly

diagnosed patients is approximately 61.2%. Patient survival of PAH remains poor at five years despite treatment advances and there is unmet need for new therapies beyond the standard of care.

While our initial focus is on PAH, we believe 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 Need

The current standard of care for patients with PAH include therapies that promote pulmonary vasodilation, such as endothelin receptor antagonists, or ERAs, nitric oxide, or NO, pathway modulators, and prostacyclin modulators.

- ***Endothelin receptor antagonists***. Patients with PAH have been found to express elevated levels of endothelin-1, a potent vasoconstrictor. Current approved ERAs include bosentan, macitentan and ambrisentan. These drugs are orally-available and are designed to reduce the vasoconstricting effects of endothelin, thereby improving pulmonary blood flow.
- ***Nitric oxide pathway modulators***. NO is produced by many cells throughout the body. It causes relaxation of the pulmonary blood vessels via the second messenger cyclic guanosine monophosphate, or cGMP, resulting in an increase in blood flow. Currently, two modalities utilize the NO pathway: phosphodiesterase type 5, or PDE5, inhibitors prevent the degradation of cGMP, and soluble guanylate cyclase stimulators, or sGCs, enhance the production of cGMP. There are multiple oral PDE5 drugs currently available, including sildenafil and tadalafil. Additionally, riociguat is the only sGC approved for PAH.
- ***Prostacyclin pathway modulators***. PAH patients have been shown to have reduced levels of prostacyclin, a naturally occurring lipid that relaxes pulmonary blood vessels. There are multiple prostacyclin analogues approved for PAH, such as iloprost and treprostinil. Additionally, selexipag is an oral prostacyclin IP receptor agonist approved for PAH. In addition to the challenges associated with dosing, prostacyclin therapy can be difficult to tolerate. Existing prostacyclin pathway modulators are often poorly tolerated due to side effects including severe infusion site reactions, and in the case of oral prostacyclins, headache and gastrointestinal upset.

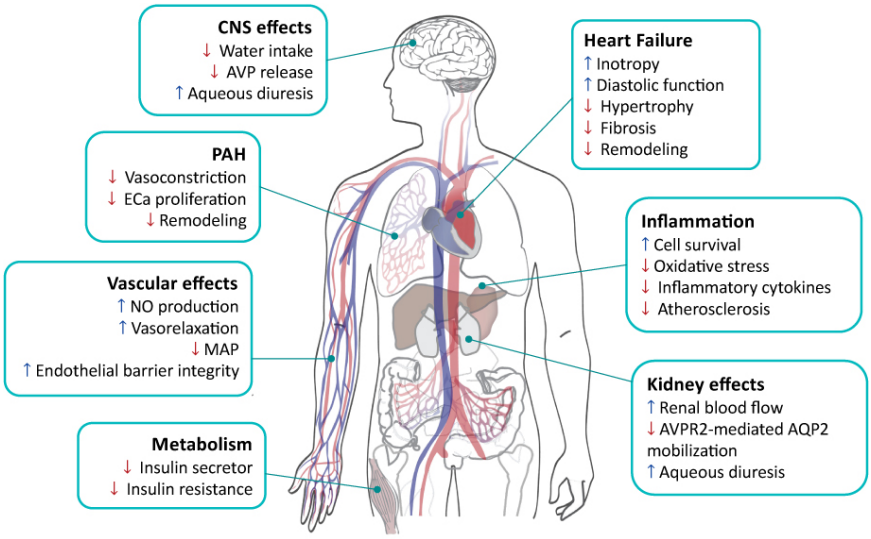
Therapies that promote vasodilation improve many aspects of the disease including short-term survival. However, none of the current approved treatments are disease modifying or fundamentally alter the pathology or progression of the disease. Accordingly, we believe there is significant unmet need for 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 apelinergic system, consisting of APJR with two known endogenous ligands, apelin and elabela/toddler, represents a new target for the treatment of PAH and other cardiovascular and respiratory diseases.

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.

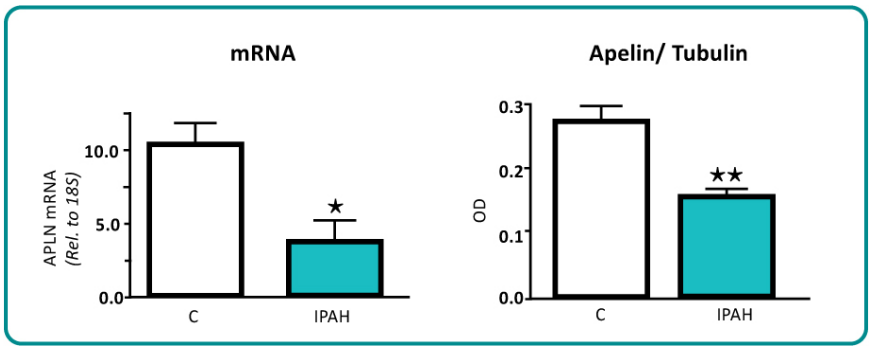
Apelin Biology in human makes APJR an attractive target for PAH



Apelin 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. Recruitment of β-arrestin triggers downstream pathways that induce vasorelaxation and cardiomyocyte hypertrophy. The degree of activation by designed ligands of G-protein and β-arrestin signaling pathway can lead to therapeutic benefit and adverse effects.

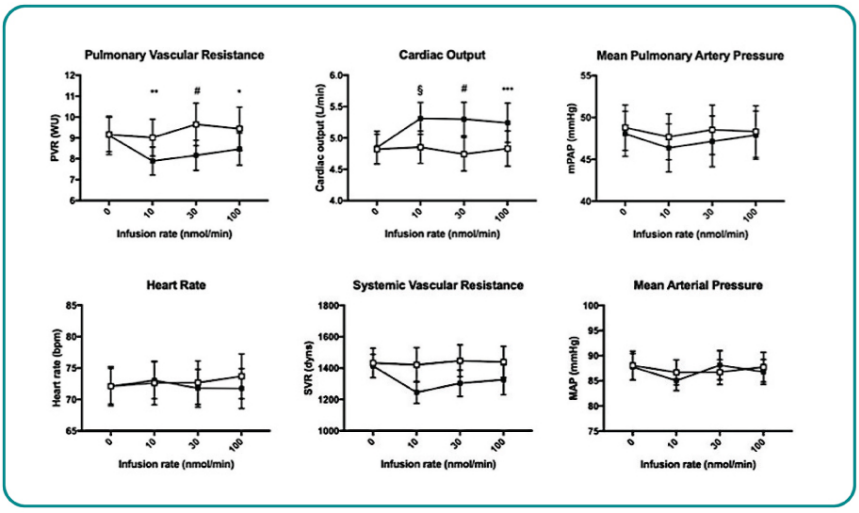
The expression patterns of apelin and APJR are consistent with their importance in cardiovascular and pulmonary diseases such as PAH. Apelin and APJR are expressed in several tissues, including those in the heart, lung, and blood vessels with expression observed in endothelial cells lining the blood vessels.

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

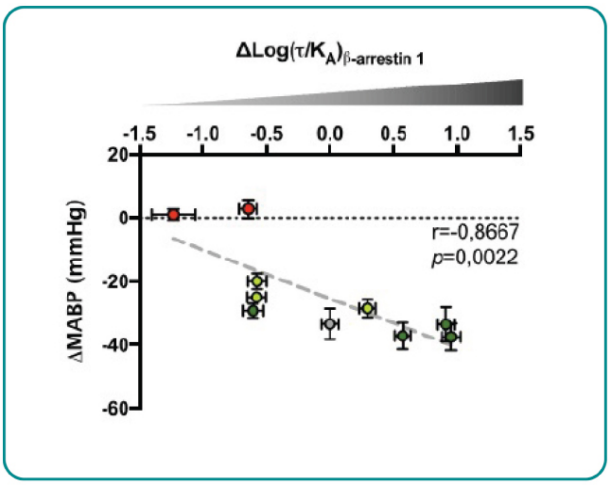


As shown above, apelin has a role in cardiac function. In a published third-party clinical proof-of-concept study, intravenous infusion of apelin peptide in PAH patients provided a significant reduction in pulmonary vascular resistance and an increase in cardiac output without a change in heart rate or systemic vascular resistance. It was also observed that the effect was most prominent in the subgroup of patients receiving concomitant PDE5 inhibition.

While various clinical trials have demonstrated that treatment with exogenous apelin agonists results in improved cardiac output, many of these molecules have limitations due to short half-life and non-biased agonism resulting in β-arrestin recruitment and receptor desensitization.

In addition, both biased and non-biased apelin analogs could increase cardiac contraction, while biased apelin analog have limited efficacy 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

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. As shown below, apelin peptide and several clinically tested competitor compounds including AMG-986 and BMS-986224 are all non-biased APJR agonists, with similar activation of the cAMP, β-arrestin and internalization. Our molecules, such as ANPA-0073 and ANPA-137 are biased, activating the cAMP pathway with close to 20-fold selectivity over β-arrestin signaling pathway and even higher selectivity against internalization.

APJR biased agonism is a differentiator for ANPA-0073

	BIASED SELECTIVITY	
COMPOUND ID	**cAMP/B-ARRESTIN SIGNALING**	**cAMP/INTERNALIZATION**
Apelin Peptide	1	1
AMG-986	1	1
BMS-986224	4	2
ANPA-0073	18	3107
ANPA-137	28	1411

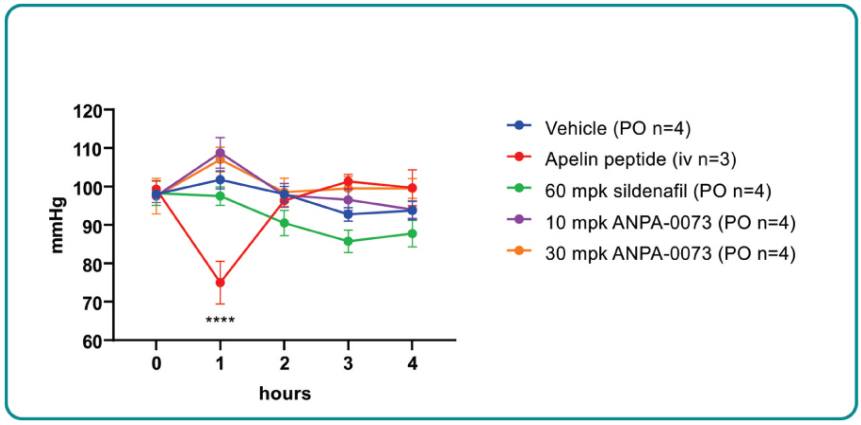
We believe that ANPA-0073 has the potential to be a differentiated and disease-modifying therapeutic agent and it is designed to provide the following potential advantages:

- 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.

Preclinical Data

ANPA-0073 demonstrated high potency in suppressing cAMP production through the G-protein-mediated signaling pathway with a half maximal excitatory concentration (EC_{50}) value of less than 10 nM (n = 15), but less potency in triggering the β-arrestin pathway and APJR internalization respectively as shown in Table 4. 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).

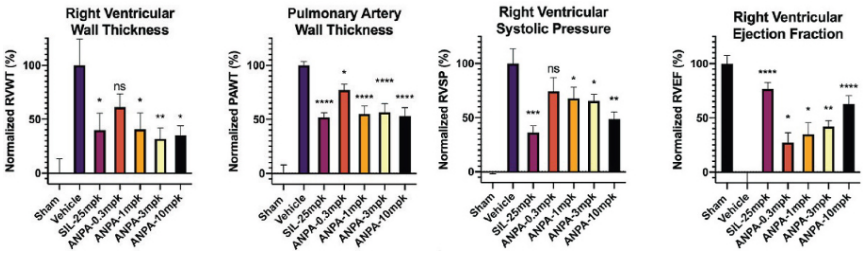
ANPA-0073 did not change mean arterial blood pressure in rat telemetry study



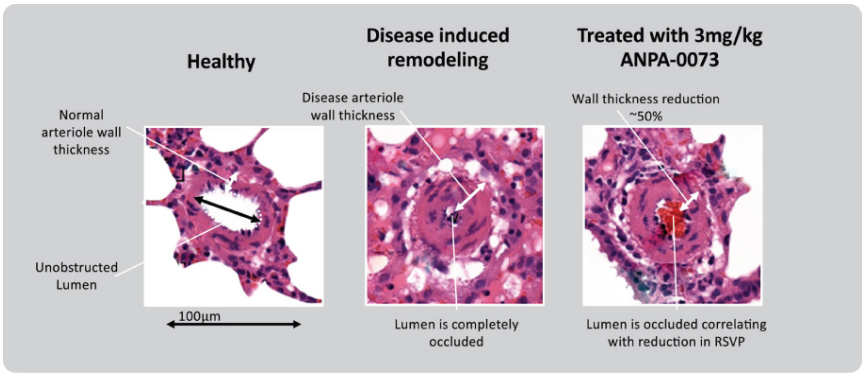
As shown above, in a rat telemetry model, a non-biased apelin peptide demonstrated an acute decrease in mean arterial pressure as expected, whereas the biased molecule, ANPA-0073, did not.

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 analog in an MCT rat model of PAH



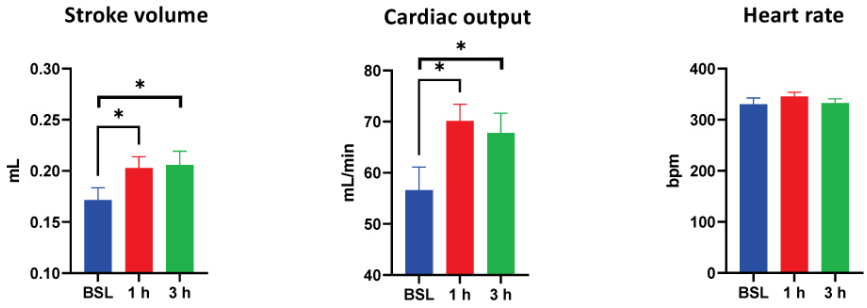
Treatment with ANPA-0073 decreased PAH-induced remodeling of arterioles



As shown above, in photomicrographs from representative animals, ANPA-0073 decreased remodeling of pulmonary medium-size arterioles in the same preclinical MCT model.

Repeated oral dosing of ANPA-0073 at ≥ 1 mg/kg/day was considered to be the maximally effective dose in MCT rats, while 0.3 mg/kg/day was considered to be the minimal biologically effective dose. In naïve rats, acute inotropic effects were observed after intravenous injection of ANPA-0073.

Biased APJR agonist ANPA-137 increased stroke volume without affecting heart rate



21 days MCT model with high PA pressure and reduced right ventricle function
On day 22, oral gavage of 15 mpk ANPA-137 and ECHO measurement at baseline (BSL), 1 hour (1h) and 3 hours (3h)

Paired student t-test was performed;
*P<0.05

As shown above, in rats with MCT-induced PAH, ANPA-137, a close analog of ANPA-0073 with a similar pharmacological profile consistently demonstrated an acute right ventricle inotropic effect by increasing right ventricular cardiac output for one to three hours after a single oral dose without affecting the heart rate.

Together, we believe that ANPA-0073 improved right heart function and decreased PAWT by inhibiting the pulmonary vessel remodeling induced by MCT. This activity of ANPA-0073 suggests a differentiated benefit of APJR agonism for the potential treatment of PAH. Studies involving perfusion of ANPA-0073 on *ex vivo* pulmonary artery tissues and *in vivo* dosing in naïve telemeterized rats excluded vasodilation as a possible mechanism of the improved cardiac output observed in the MCT rat models.

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.

ANPA-0073 Combination Approach with Current Standard of Care for PAH

Current standard of care therapies reduce pulmonary vascular resistance, or PVR, and as a result, improve right ventricular function. Preclinical studies suggest that ANPA-0073 has a positive inotropic effect on the right ventricle, and may preserve right heart function. The data also show attenuation of remodeling of pulmonary vessels. Given the G-protein biased signaling of the molecule, ANPA-0073 does not reduce PVR through vasodilation, nor does it cause dose-limiting hypotension. Taken together, in combination with standard of care vasodilators, ANPA-0073 has the potential to have additional benefits through increased right heart contractility and decreased pulmonary vasculature remodeling.

Clinical Development Overview and Milestones

Given the promising preclinical data to date and favorable animal toxicology seen to date, we have advanced ANPA-0073 into clinical development. Our ongoing Phase 1 SAD and MAD trial is being conducted in approximately 96 healthy volunteers and is designed to assess drug safety and pharmacokinetics. We expect topline data from our ongoing Phase 1 SAD and MAD study in . In the SAD portion of the

study, we included eight cohorts of eight healthy volunteers each, with doses ranging from 2 mg to 600 mg. In the MAD portion of the study, three cohorts of eight subjects will receive sequential ascending doses of ANPA-0073 daily for seven days, starting with a 75 mg cohort.

We also expect to complete a Phase 1 drug-drug interaction study in up to 16 healthy volunteers. Upon competition of the Phase 1 study, we plan to advance into a Phase 2 proof of concept study in 20-30 functional Class II–IV PAH patients to assess safety and pharmacokinetics, as well as cardiac output.

We believe ANPA-0073 has potential beyond PAH and may explore other indications such as heart failure.

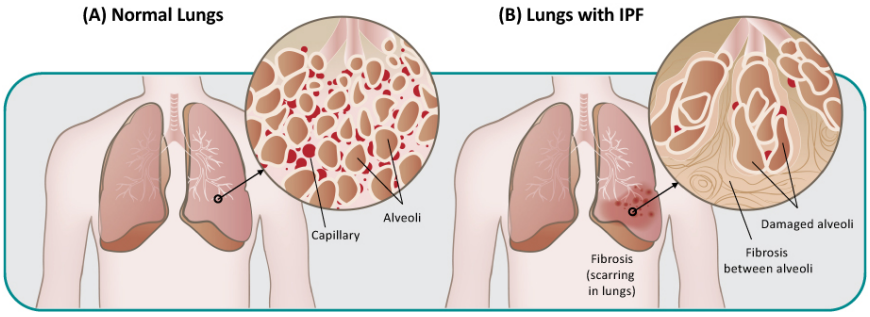
Our LPA1R Program

We are developing LTSE-1593, an oral small molecule LPA1R antagonist for the treatment of IPF. We believe LTSE-1593 is a differentiated molecule with the potential to enhance potency, durability and safety.

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—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 exact etiology of IPF remains unknown. As shown above, IPF is a progressive disease, beginning with inflammation followed by fibrotic buildup as damaged epithelial cells surrounding the alveoli are replaced by fibroblasts. Buildup of fibroblasts cause the lungs to thicken over time, until they are stiff and no longer functioning. 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 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.

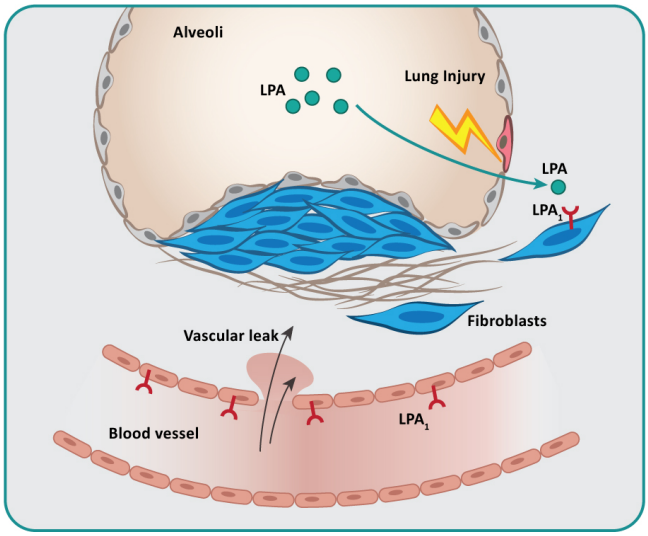
Nintedanib is an intracellular inhibitor that targets multiple tyrosine kinases (vascular endothelial growth factor receptors 1-3, fibroblast growth factor receptors 1-3, and platelet-derived growth factor receptors a and b). By inhibiting these tyrosine kinase receptors, nintedanib interferes with processes implicated with 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 20-30% discontinuation rate due to side effects, limit therapeutic usage and there remains a significant unmet need for IPF patients. Despite these limitations, these two drugs have generated total sales of $3.6 billion in 2020 (Esbriet at $1.2 billion and Ofev at $2.4 billion).

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 pharmacological inhibition of LPA1R attenuated bleomycin induced lung fibrosis by mediating fibroblast recruitment and vascular leak.

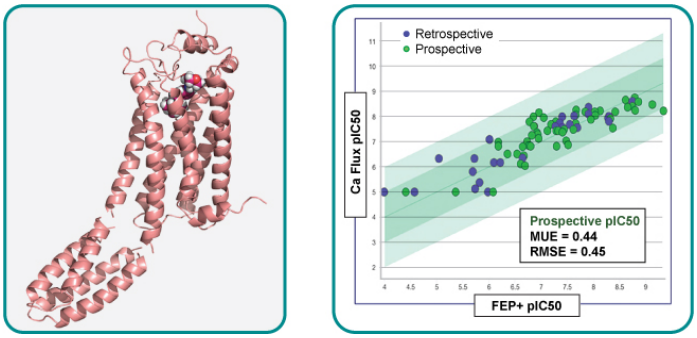
We believe LPA1R has been clinically validated as a target with proof of concept data from a randomized, double blind, placebo-controlled Phase 2 trial of an LPA1R antagonist (BMS-986020) in patients with IPF. Patients in the 600mg BID cohort exhibited significantly slower rates of forced vital capacity 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 transporter 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.

Our Solution: Small Molecule LPA1R Antagonists

LTSE-1593

Our development candidate, LTSE-1593, is an orally-available potent small molecule LPA1R antagonist. Based on data from our preclinical studies, we believe LTSE-1593 has the potential to be a differentiated treatment for IPF.

Iterative LPA1R Structure-Based Drug Discovery

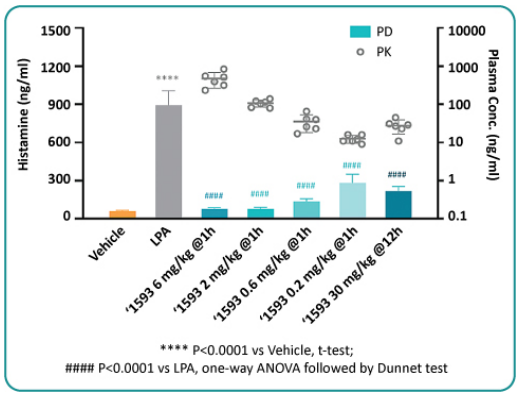


As illustrated above, we utilized the available protein structural information to collaborate with Schrödinger closely. After validation and customization with an initial set of compounds for retrospective analysis, Schrodinger's FEP was utilized and provided a good potency prediction as demonstrated in the prospective analysis. This customized model greatly expedited the iterative lead optimization process and helped us to achieve candidate selection efficiently.

Preclinical Data

In an *in vivo* pharmacokinetic and pharmacodynamics study, mice were orally dosed with LTSE-1593 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-1593 demonstrated dose dependent inhibition of histamine release and an IC_{80} at 16 ng/mL, as compared to 45 ng/mL and 200 ng/mL for BMS's first generation (BMS-986020) and second generation (BMS-986278) LPA1R antagonists, respectively.

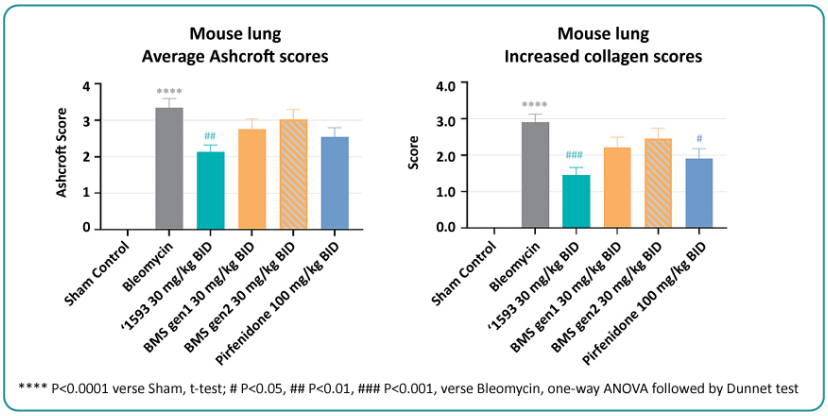
LTSE-1593 demonstrated dose dependent inhibition of histamine release



In an *in vivo* bleomycin-induced mouse lung fibrosis model, LTSE-1593 demonstrated an anti-fibrotic activity. Seven days after bleomycin challenges, mice received oral LTSE-1593 for two weeks. LTSE-1593 significantly reduced BALF collagen levels and lung fibrosis Ashcroft scores.

LTSE-1593 showed limited inhibition (IC_{50} > 50 μ M) of efflux transporters including BSEP, MRP3 and MRP4, potentially reducing the likelihood of hepatobiliary toxicity caused by efflux transporter inhibition. In non-GLP safety assessment studies, LTSE-1593 was well tolerated in rats. Based on these results, we believe this would translate to a >50-fold safety margin for our current human dose prediction.

LTSE-1593 demonstrated anti-fibrotic activity in bleomycin model



We are conducting preclinical studies in order to enable a regulatory submission in for a first-in-human study.

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 Intellectual Property.”

For our GLP-1R program, as of February 10, 2022, our wholly-owned subsidiary Gasherbrum Bio, Inc., is the sole owner of multiple pending U.S. and foreign patent applications including Patent Cooperation Treaty applications, which, if issued (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, not including any patent term adjustments and patent term extensions that may be available. These patent applications are directed to compositions of matter, including GSBR-1290 and its analogs, and methods of treating conditions associated with GLP-1R. We intend to strengthen the patent protection of our programs through additional patent application filings.

For our Apelin Receptor program, as of February 10, 2022, our wholly-owned subsidiary Annapurna Bio, Inc. is the sole owner of multiple U.S. and foreign patent applications directed to compositions of matter, including ANPA-0073 and its analogs, and methods of treating conditions associated with Apelin receptor. Any patents, issuing from patent applications in these families are projected to expire in 2039, not including any patent term adjustments and patent term extensions that may be available.

For our LPA1R program, as of February 10, 2022, our wholly-owned subsidiary Lhotse Bio, Inc., or Lhotse, is the sole owner of one Patent Cooperation Treaty application and foreign applications directed to compositions of matter, including LTSE-1593 and its analogs, and methods of treating conditions associated with Apelin receptor. Any patents, issuing from patent applications in this families is projected to expire in 2041, not including any patent term adjustments and patent term extensions that may be available.

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 Intellectual Property."

Lhotse Collaboration Agreement with Schrödinger, LLC

In October 2020, Lhotse entered into a collaboration agreement with Schrödinger, or the Lhotse-Schrödinger Agreement, to discover and develop novel, orally bioavailable, small molecule inhibitors of LPA1R. The collaboration under this agreement led to the discovery of our lead product candidate for the treatment of IPF, LTSE-1593. 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. 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, Boehringer Ingelheim.

We are aware of LPA1R targeted product candidates in development for IPF by BMS, and Horizon Therapeutics plc; 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 pre-clinical laboratory tests, pre-clinical 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 pre-clinical 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.

Pre-clinical studies and clinical trials

The pre-clinical 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 pre-clinical tests must comply with federal regulations, including GLPs where applicable. The sponsor must submit the results of the pre-clinical 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 pre-clinical 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

pharmacokinetic and pharmacodynamic 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, pre-clinical 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 pre-clinical 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 a 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 require 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. Thus, the ACA will remain in effect in its current form. Prior to the U.S. Supreme Court ruling, President Biden issued an executive order that initiated a special enrollment period from February 15, 2021 through August 15, 2021 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.

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. Further, it is possible that additional governmental action is taken in response to the COVID-19 pandemic.

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 infringed 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 and August 31, 2014, 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 renminbi 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 renminbi 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 renminbi by restricting how the converted renminbi may be used. SAFE Circular 142 provides that the renminbi 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 renminbi capital converted from foreign currency registered capital of foreign-invested enterprises. The use of such renminbi capital may not be changed without SAFE's approval, and such renminbi capital may not in any case be used to repay renminbi 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 renminbi 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 renminbi for purposes beyond the business scope, for entrusted loans or for inter-company renminbi 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 renminbi capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue renminbi 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.

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 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 4,000 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 6,000 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, 2021, we had 51 full-time employees, 27 of whom have a Ph.D. or M.D. Of these 51 employees, 36 were engaged in research and development activities and 15 were engaged in business development, finance, information systems, facilities, human resources or administrative support. Four of the non-research and development based employees was based in Shanghai, China while the other 11 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 January 31, 2022:

NAME	AGE	POSITION(S)
Executive Officers:		
Raymond Stevens, Ph.D.	58	Director, Chief Executive Officer
Ding Ding, Ph.D	50	Chief Financial Officer
Xichen Lin, Ph.D.	48	Chief Scientific Officer
Mark Bach, M.D., Ph.D.	65	Chief Medical Officer
Melita Sun Jung	45	Chief Business Officer
Jun Yoon	44	Director, Chief Operating Officer
Yingli Ma, Ph.D.	48	General Manager, President, Basecamp Bio Inc.[4]
Non-Employee Directors:		
Daniel G. Welch	64	Chairman of the Board
Ramy Farid, Ph.D.	57	Director
Cuiping (Trency) Gu, Ph.D.	42	Director
Jessica Lifton	34	Director
Chen Yu, M.D.	47	Director

(1) Member of our audit committee.

(2) Member of our compensation committee.

(3) Member of our nominating and governance committee.

(4) Basecamp Bio Inc. is our wholly-owned subsidiary.

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) and Bird Rock Bio, Inc. (formerly RuiYi, Inc.), a private clinical-stage biopharmaceutical company focused on developing innovative immune-inflammatory regulators. 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.

Ding Ding, Ph.D. has served as our Chief Financial Officer since December 2021. Dr. Ding previously served as Head of Asia Healthcare Investment Banking at Credit Suisse Group AG, or Credit Suisse, from August 2017 to December 2021. Prior to joining Credit Suisse, Dr. Ding served as head of China Healthcare Investment Banking at Nomura Holdings, Inc. (NYSE: NMR) from August 2016 to August 2017, and at Barclays Capital, Inc., or Barclays, from August 2012 to April 2016. Prior to joining Barclays, Dr. Ding served as Head of China Healthcare Equity Research at UBS Group AG from August 2010 to May 2012. Dr. Ding received her B.S. in Electrical Engineering from Huazhong University of Science and Technology in China, her Ph.D. in Pharmacology from the SUNY Downstate Medical Center, and her M.B.A. in Finance from The Wharton School at the University of Pennsylvania.

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 joining Adamas Pharmaceuticals, 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 served as Senior Product Manager for Ipsen, Ltd (OTCMKTS: IPSEY), a biopharmaceutical company focused on oncology, rare disease and neuroscience. Ms. Jung received her B.S. in Integrative Biology from the University of California, Berkeley.

Jun Yoon has served as our Chief Operating Officer and as a member of our board of directors 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.

Yingli Ma, Ph.D. has served as General Manager and President of Basecamp Bio Inc., our wholly-owned subsidiary, since May 2021. 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.

Cuiping (Trency) Gu, Ph.D. has served as a member of our board of directors since March 2020. Dr. Gu joined Sequoia Capital China, or Sequoia, in July 2012, and has served as Managing Director since February 2018. Prior to joining Sequoia, Dr. Gu served as Associate at OrbiMed Advisors LLC from April 2010 to July 2012. Dr. Gu currently serves on the boards of directors of EOC Pharma, Cullgen Inc., QuantumPharm Inc., Neuropth Therapeutics, Inc., D3 Bio, Inc., Phanes Therapeutics, Inc., and others. Dr. Gu received her B.S. in Biotechnology and her Ph.D. in Biochemistry and Molecular Biology from Shanghai Jiao Tong University. We believe that Dr. Gu is qualified to serve on our board of directors based on her extensive board experience and experience in the healthcare and biotechnology industries.

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. Ms. Lifton currently serves 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.

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.

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 designated 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 Biotechnology Venture Fund OS L.P. and elected by the holders of a majority of our Series B convertible preferred shares.
- Dr. Gu was designated by SCC Venture VII Holdco I, Ltd. and elected by the holders of a majority of our Series A+ convertible preferred shares.
- Dr. Farid was designated mutually by the 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 seven members, with 3 vacancies. 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 , and , and their terms will expire at the annual meeting of shareholders to be held in 2023;
- The Class II directors will be and , and their terms will expire at the annual meeting of shareholders to be held in 2024; and
- The Class III directors will be and , and their terms will expire at the annual meeting of shareholders to be held in 2025.

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.shoutipharma.com upon the closing of this offering.

Audit Committee

Our audit committee consists of , and . Our board of directors has determined that each of the members of our audit committee satisfies the Nasdaq Stock Market and SEC independence requirements. 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 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 '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 and . 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 Governance Committee

Our nominating and governance committee consists of and . Our board of directors has determined that each of the members of this committee satisfies the Nasdaq Stock Market independence requirements. 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.shoutipharma.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, 2021, 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
- Melita Sun Jung, our Chief Business 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, 2021.

NAME AND PRINCIPAL POSITION	FISCAL YEAR	SALARY ($)	BONUS ($)[1]	OPTION AWARDS ($)[2]	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)[3]	ALL OTHER COMPENSATION ($)	TOTAL ($)
Raymond Stevens, Ph.D. *Chief Executive Officer*	2021	420,000	—	—	283,200[4]	—	703,300
Mark Bach, M.D., Ph.D. *Chief Medical Officer*	2021	241,288	66,000	—	84,206	—	391,494
Melita Sun Jung Chief Business Officer.	2021	245,313	75,000	—	85,942	—	406,255

(1) Amounts represent the applicable named executive officer's one-time signing bonus awarded in 2021, as described below under "—Bonus Compensation."

(2) The amount disclosed represents the aggregate grant date fair value of the share option granted to our named executive officers during fiscal year 2021 under our 2019 Equity Incentive Plan, computed in accordance with FASB ASC Topic 718. The assumptions used in calculating the grant date fair value of the share option are set forth in Note 10 to our audited financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the named executive officer. Such option award amounts will be included in a subsequent filing with the inclusion of our 2021 financial statements.

(3) Amounts represent the applicable named executive officer's performance bonus earned for 2021 and paid in 2022, as described below under "—Non-Equity Incentive Plan Compensation."

(4) Amount also represents Dr. Stevens' one-time special cash bonus of $50,000, as described below under "—Non-Equity Incentive Plan Compensation."

Annual Base Salary

The 2021 annual base salaries for our named executive officers are set forth in the table below.

NAME	2021 BASE SALARY
Raymond Stevens, Ph.D.[1]	$ 424,000
Mark Bach, M.D., Ph.D.[2]	$ 455,000
Melita Sun Jung[3]	$ 375,000

(1) As of January 1, 2021, Dr. Stevens' annual base salary was $400,000. Dr. Steven's annual base salary was increased to $424,000, effective as of March 1, 2021. The amount disclosed reflects an annualized base salary of $424,000.

(2) Dr. Bach commenced employment with us in June 2021 with an annual base salary of $455,000.

(3) Ms. Jung commenced employment with us in May 2021 with an annual base salary of $375,000.

In January 2022, our board of directors approved an annual base salary of $500,000, $468,650 and $382,500 for Dr. Stevens, Dr. Bach and Ms. Jung, respectively, to be effective as of March 1, 2022.

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 2021, Dr. Stevens, Dr. Bach and Ms. Jung were each eligible to receive an annual

performance bonus based on the achievement of certain pre-established performance goals determined by our board of directors. Dr. Bach and Ms. Jung were each assigned a target bonus equal to 35% of their annual base salary, pursuant to the terms of their respective offer letters. 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. In January 2022, our board of directors determined that the 2021 corporate goals were achieved at 100% overall and, as a result, approved a 2021 annual performance bonus for Dr. Stevens of $233,200, of $84,206 for Dr. Bach and of $85,942 for Ms. Jung, in each case, as reflected in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table above.

In January 2021, our board of directors approved a one-time special cash bonus of $50,000 to Dr. Stevens, payable only upon the achievement of a certain milestone in connection with the clinical trial of Annapurna Bio, Inc.'s first product candidate. In May 2021, the milestone was achieved and, as a result, the cash bonus was paid to Dr. Stevens.

Bonus Compensation

In 2021, pursuant to the terms of their respective offer letters, Dr. Bach and Ms. Jung each received a one-time signing bonus of $66,000 and $75,000, respectively, in connection with the start of their employment with us. Each one-time signing bonus is repayable in full by the named executive officer if their employment with us terminates prior to the one-year anniversary of their start date.

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.

On January 22, 2021, we granted Dr. Stevens a share option to purchase 538,767 ordinary shares with an exercise price of $0.48 per share and a vesting commencement date of January 22, 2021. On September 23, 2021, we granted Dr. Bach a share option to purchase 581,610 ordinary shares with an exercise price of $1.21 per share and a vesting commencement date of June 21, 2021. On September 23, 2021, we granted Ms. Jung a share option to purchase 465,290 ordinary shares with an exercise price of $1.21 per share and a vesting commencement date of May 6, 2021. Dr. Stevens' share option grant vests in 48 equal monthly installments from the vesting commencement date, subject to his continuous service through each such vesting date. Dr. Bach's and Ms. Jung's share option grants vest as follows: one-fourth of the shares subject to the share option vests on the first anniversary of the vesting commencement date, and the remaining shares vest in 36 equal monthly installments thereafter, subject to the executive's continuous service through each such vesting date.

All share option awards 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 option awards 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 under the subsections titled "—Potential Payments Upon Termination or Change in Control" and "—Employee Benefit Plans."

Outstanding Equity Awards as of December 31, 2021

The following table presents the outstanding equity awards held by each named executive officer as of December 31, 2021.

	OPTION AWARDS[1]					SHARE AWARDS[1]	
NAME	GRANT DATE	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS EXERCISABLE (#)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS UNEXERCISABLE (#)	OPTION EXERCISE 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]
Raymond Stevens, Ph.D.	4/29/2019[4]	—	—	—	—	695,473	—
	1/22/2020[5]	100,000	—	0.39	1/22/2030	—	—
	1/22/2021[6]	538,767	—	0.48	1/22/2031	—	—
Mark Bach, M.D., Ph.D.	9/23/2021[7]	581,610	—	1.21	9/23/2031	—	—
Melita Sun Jung	9/23/2021[8]	465,290	—	1.21	9/23/2031	—	—

(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 and Stock 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 equally 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 equally monthly installments thereafter, subject to continued service through each such vesting date.

(6) The shares subject to the share option vest in 48 equally monthly installments, subject to continued service through each such vesting date.

(7) One-fourth of the shares subject to the share option will vest on June 21, 2022 and the remaining shares subject to the option vest in 36 equally monthly installments thereafter, subject to continued service through each such vesting date.

(8) One-fourth of the shares subject to the share option will vest on May 6, 2022 and the remaining shares subject to the option vest in 36 equally 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 2021.

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, Severance and Change in Control Agreements

Employment Agreements

Below are descriptions of our executive employment agreements or offer letters, as applicable, with our named executive officers. The employment of each of our named executive officers is at will. 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. Pursuant to the agreement, Dr. Stevens is entitled to an initial annual base salary of $400,000 (which was most recently increased to $500,000) and is eligible to receive an annual performance bonus equal to 33% of his annual base salary, based on the achievement of certain corporate and individual objectives as determined by our board of directors, and the actual bonus amount may be up to 55% of his annual base salary if the level of achievement exceeds expectations. Dr. Stevens also received a one-time signing bonus in the amount of $83,000, which was paid in a lump sum on the first regular payroll date following the date his agreement was executed. In addition, on January 22, 2020, pursuant to the terms of his agreement, Dr. Stevens was granted an initial share option award to purchase 100,000 ordinary shares, as further described above in the Outstanding Equity Awards as of December 31, 2021 table above. Dr. Stevens' agreement also provides for severance benefits upon an involuntary termination, 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. Pursuant to the offer letter, Dr. Bach is entitled to an initial annual base salary of $455,000 (which was most recently increased to $468,650) and is eligible to receive an annual performance bonus equal to 35% of his annual base salary, based on the achievement of certain corporate and individual objectives as determined by our board of directors. Dr. Bach also received a one-time signing bonus in the amount of $66,000, paid in a lump sum on the first regular payroll date following June 21, 2021 (Dr. Bach's start date), and which is repayable in full if Dr. Bach's employment terminates under any circumstances prior to the one-year anniversary of his start date. In addition, on June 21, 2021, pursuant to the terms of his offer letter, Dr. Bach was granted an initial share option award to purchase 581,610 ordinary shares, as further described above under "—Equity-Based Incentive Awards." Dr. Bach's offer letter also provides for severance benefits upon an involuntary termination, as described below under "—Potential Payments Upon Termination or Change in Control."

Melita Sun Jung. We entered into an amended and restated offer letter with Ms. Jung in April 2021, which governs the current terms of her employment with us. Pursuant to the offer letter, Ms. Jung is entitled to an initial annual base salary of $375,000 (which was most recently increased to $382,500) and is eligible to receive an annual performance bonus equal to 35% of her annual base salary, based on the achievement of certain corporate and individual objectives as determined by our board of directors. Ms. Jung also received a one-time signing bonus in the amount of $75,000, paid in a lump sum on the first regular payroll date following May 6, 2021 (Ms. Jung's start date), and which is repayable in full if Ms. Jung's employment terminates under any circumstances prior to the one-year anniversary of her start date. In addition, on September 23, 2021, pursuant to the terms of her offer letter, Ms. Jung was granted an initial share option award to purchase 465,290 ordinary shares, as further described above under "—Equity-Based Incentive Awards." Ms. Jung's offer letter also provides for severance benefits upon an involuntary termination, as described below under "—Potential Payments Upon Termination or Change in Control."

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, including unpaid salary and unused vacation, as applicable. In addition, Dr. Stevens, Dr. Bach and Ms. Jung are entitled to certain severance benefits under their executive employment agreement or offer letter, as applicable, 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.

Dr. Stevens' executive employment agreement provides that, if his employment is terminated by us without "cause"(other than as a result of death or disability) or Dr. Stevens resigns for "good reason" (each, as defined in Dr. Stevens' executive employment agreement) 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 (or if the company is then publicly-traded, 12 months), (ii) 50% of his annual bonus target for the year in which his involuntary termination occurs (or if the company is then publicly-traded, 100% of his annual bonus target), (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), (iii) premiums for Dr. Stevens' COBRA continuation health coverage for up to six months (or if the company is then publicly-traded, 12 months) and (iv) the unvested equity awards then held by Dr. Stevens will accelerate vesting as if he had provided an additional six months (or if the company is then publicly-traded, 12 months) of continued services following the date of separation.

Dr. Bach and Ms. Jung's respective offer letters each provide that, if his or her employment is terminated by us without "cause" (other than as a result of death or disability) or he or she resigns for "good reason" (each as defined in Dr. Bach's and Ms. Jung's respective offer letters) outside of the "change in control period" (as defined below), he or she will be entitled to receive (i) continued payment of his or her then-current base salary for six months, (ii) premiums for COBRA continuation health coverage for up to six months, (iii) his or her prior year bonus, if applicable, and (iv) the unvested equity awards then held by the named executive officer will accelerate vesting as if he or she had provided an additional six months of continued services following the date of separation.

In addition, pursuant to each named executive officer's respective executive employment agreement or offer letter, as applicable, 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 a named executive officer'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. Our named executive officers' share options awarded prior to 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."

Our named executive officers' share options granted prior to 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, 2021 table.

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 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 stockholders. 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.

2022 Equity Incentive Plan

Our board of directors adopted our 2022 Equity Incentive Plan, or the 2022 Plan, in 2022 and our shareholders approved our 2022 Plan in 2022. Our 2022 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 2022 Plan is a successor to and continuation of our 2019 Plan and will become effective immediately upon and contingent upon on the execution of the underwriting agreement related to this offering.

Authorized Shares. Initially, the maximum number of ordinary shares that may be issued under our 2022 Plan after it becomes effective will be ordinary shares, which is the sum of (i) new ordinary shares, (ii) the number of ordinary shares that remain available for issuance under our 2019 Plan at the time our 2022 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 2022 Plan will automatically increase on January 1 of each calendar year, starting on January 1, 2023 (assuming the 2022 Plan becomes effective in 2022) through January 1, 2032, in an amount equal to % of the total number of our issued share capital 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 2022 Plan is .

Ordinary shares subject to share awards granted under our 2022 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, do not reduce the number of ordinary shares available for issuance under our 2022 Plan. Additionally, ordinary shares will become available for future grant under our 2022 Plan if they were issued under share awards under our 2022 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 2022 Plan. Our board of directors may also delegate to one or more of our officers the authority to (i) designate employees (other than officers) to receive specified share awards, and (ii) determine the number of ordinary shares subject to such share awards. Under our 2022 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; 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 2022 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 the 2022 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 the 2022 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 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 shares, a combination of cash and 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 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 the 2022 Plan vests at the rate specified in the share appreciation right agreement as determined by the plan administrator.

Performance Awards. The 2022 Plan permits the grant of performance-based share and cash awards. The plan administrator may structure awards so that the 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 measure 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 $ in total value, or in the event such non-employee director is first appointed or elected to the board during such annual period, $ in total value (in each case, 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 shares reserved for issuance under the 2022 Plan, (ii) the class and maximum number of shares by which the share reserve may increase automatically each year, (iii) the class and maximum number of shares that may be issued on the exercise of ISOs, and (iv) the class and number of 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 the 2022 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 the 2022 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.

Change in Control. In the event of a change in control, as defined under our 2022 Plan, awards granted under our 2022 Plan will not receive automatic acceleration of vesting and exercisability, although this treatment may be provided for in an award agreement.

Under our 2022 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 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 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. Under the 2022 Plan, a change in control is defined to include (1) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding shares; (2) 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); (3) 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; (4) 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 (5) an unapproved change in the majority of the board of directors.

Transferability. A participant may not transfer share awards under our 2022 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2022 Plan.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend, or terminate our 2022 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 2022 Plan. No share awards may be granted under our 2022 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 2022 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 therefor 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 Financial Accounting Standards Board 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.

2022 Employee Stock Purchase Plan

Our board of directors adopted, and our shareholders approved, our 2022 Employee Share Purchase Plan, or ESPP, in 2022. The ESPP will become effective upon and contingent upon the execution of the underwriting agreement related to this offering. The purpose of the 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.

Share Reserve. Following this offering, the ESPP authorizes the issuance of 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, 2023 (assuming the ESPP becomes effective in 2022) through January 1, 2032, by the lesser of (i) % 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) 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). As of the date hereof, no ordinary shares have been purchased under the ESPP.

Administration. Our board of directors, or a duly authorized committee thereof, will administer our ESPP. Our board of directors may delegate concurrent authority to administer the ESPP to our compensation committee under the terms of the compensation committee's charter. The ESPP is 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 the 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 the 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 the ESPP and may contribute, normally through payroll deductions, up to % of their earnings (as defined in the ESPP) for the purchase of our ordinary shares under the ESPP. Unless otherwise determined by our board of directors, ordinary shares will be purchased for the accounts of employees participating in the 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 the 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 the 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 the 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 number of ordinary shares reserved under the ESPP; (ii) the maximum number of ordinary shares by which the share reserve may increase automatically each year; (iii) the number of ordinary shares and purchase price of all outstanding purchase rights; and (iv) the 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 the 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.

ESPP Amendment or Termination. Our board of directors has 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. We have the ability to make matching and discretionary contributions to the 401(k) plan. Currently, we do not make matching contributions or 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

During the year ended December 31, 2021, we did not pay any compensation or award any equity grants to our non-employee directors who served on our board of directors. As of December 31, 2021, none of our non-employee directors held unexercised share options or unvested share awards covering our ordinary shares.

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 an option for 1,179,122 ordinary shares, which was granted under the 2019 Plan. One-third of the shares subject to the 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 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 2022 that will become effective upon the execution and delivery 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:

- an annual cash retainer of $;
- an additional annual cash retainer of $, $ and $ for service as a member of the audit committee, compensation committee and the nominating and governance committee, respectively;
- an additional annual cash retainer of $, $ and $ for service as chair of the audit committee, compensation committee and the nominating and governance committee, respectively;
- an initial option grant to purchase of our ordinary shares on the date of each such non-employee director's appointment to our board of directors; and
- an annual option grant to purchase of our ordinary shares on the date of each of our annual shareholder meetings.

Each of the option grants described above will be granted under our 2022 Plan, the terms of which are described in more detail above under the section titled "Executive Compensation—Employee Benefit Plans—2022 Equity Incentive Plan." Each such option grant will vest and become exercisable subject to the director's continuous service to us through the earlier of the first anniversary of the date of grant or the next annual shareholder meeting. The term of each option will be ten years, subject to earlier termination as provided in the 2022 Plan.

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.

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 July 2021, we entered into a Series B preferred share purchase agreement with various investors, pursuant to which we issued and sold an aggregate of 24,701,732 shares of our Series B convertible preferred shares at a price per share of $4.0483 for gross proceeds of $100.0 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
Entities affiliated with BVF Partners[(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, Mr. Yu, Ms. Gu, 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 Depository 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, Biotechnology Value Funds, or BVF, a beneficial owner of more than 5% of our issued share capital. The letter agreement grants BVF a participation right to purchase a specified number of shares of our ADS in 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.

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 Compensation—Employment Arrangements.”

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 intend to adopt 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.

PRINCIPAL SHAREHOLDERS

The following table sets forth, as of January 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 ordinary shares outstanding as of January 31, 2022 assuming the conversion of all outstanding preferred shares into an aggregate of 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 ordinary shares represented by American Depository Shares, or ADSs, in this offering. The percentage ownership information assumes no purchases of any ADSs in this offering 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 January 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 ShouTi 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% Stockholders:			
Entities affiliated with ERVC Healthcare IV, L.P.[1]	6,473,761	9.28%	%
Entities affiliated with F-Prime Capital Partners Life Sciences Fund VI LP[2]	5,816,554	8.34%	%
Entities affiliated with Qiming[3]	4,941,022	7.08%	%
Entities affiliated with XX-I SHT Holdings Limited[4]	6,250,674	8.96%	%
Entities affiliated with Biotechnology Value Fund[5]	7,410,518	10.62%	%
Entities affiliated with Sequoia[6]	7,989,196	11.45%	%
Named Executive Officers and Directors:			
Raymond Stevens, Ph.D[7].	2,886,615	4.12%	%
Mark Bach, M.D., Ph.D.	0	*	%
Melita Sun Jung	0	*	%
Daniel G. Welch[8]	1,179,122	1.69%	%
Ramy Farid, Ph.D.[9]	3,112,285	4.46%	%
Cuiping (Trency) Gu	0	*	%
Jessica Lifton	0	*	%
Chen Yu, M.D.[10]	3,458,252	4.96%	%
Jun Yoon[11]	2,718,250	3.89%	
All current executive officers and directors as a group (12 persons)[12]	13,624,413	19.35%	%

* 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 Shareholding Limited. Eight Roads Investments is ultimately controlled by Eight Roads Shareholding Limited. 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 President, B. Lane MacDonald, and as such, Mr. MacDonald 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 Rieschel, 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. The address of XX-I SHT Holdings Limited and BSCP Holdings Limited is 89 Nexus Way, Camana 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 I 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 (i) 1,063,664 ordinary shares held by Raymond Stevens, Ph.D., of which 572,742 ordinary shares will be subject to our right of repurchase as of April 1, 2022; (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 Mr. Yoon has the right to acquire within 60 days of January 31, 2022 pursuant to the early exercise of a share option; and (iv) 168,365 ordinary shares Dr. Stevens has the right to acquire within 60 days of January 31, 2022 pursuant to the exercise of share options, of which 370,402 will be unvested as of April 1, 2022. Dr. Stevens shares voting and dispositive power with respect to the shares held by the Stevens Trust.

(8) Consists of 1,179,122 ordinary shares Mr. Welch has the right to acquire within 60 days of January 31, 2022 pursuant to the early exercise of a share option.

(9) Represents 3,112,285 ordinary shares held by Schrödinger, Inc., or Schrödinger. 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.

(10) 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.

(11) Consists of (i) 1,063,664 ordinary shares held by Jun Yoon, of which 572,742 ordinary shares will be subject to our right of repurchase as of April 1, 2022; (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; and (iii) 100,000 ordinary shares Mr. Yoon has the right to acquire within 60 days of January 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.

(12) Consists of (i) the shares described in note (7) through note (11) above; and (ii) 269,889 ordinary shares Xichen Lin, Ph.D., has the right to acquire within 60 days of January 31, 2022 pursuant to the exercise of share options, of which 298,111 will be unvested as of April 1, 2022.

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 $ divided into shares, of which (i) are designated as ordinary shares, par value of $0.0001 per share and (ii) 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 January 31, 2022, we had ordinary shares, Series A convertible preferred shares, Series A+ convertible preferred shares, Series B convertible preferred shares and 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 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 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 intend to adopt an amended and restated memorandum and articles of association, which will become effective and replace our current amended and restated memorandum and articles of association in its entirety immediately 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 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 "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 intend to apply to list the ADSs on the Nasdaq Global Market under the trading symbol " ."

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Receipts

, 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 .

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 http://www.sec.gov.

Share Dividends and Other Distributions

How will I receive dividends and other distributions on the shares underlying my ADSs?

We may make various types of distributions with respect to our securities. The depositary has agreed that, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars (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 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. *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 , the location and contents of which the depositary shall be solely responsible for.

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 , 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 depositary's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. Delivery of deposited

securities in certificated form will be made at the custodian's office. At your risk, expense and request, the depositary may deliver deposited securities at such other place as you may request.

The depositary may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depositary or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depositary may, after consultation with us if practicable, fix record dates (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 depositary for administration of the ADR program and for any expenses as provided for in the ADR, or
- to receive any notice or to act in respect of other matters,

all subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after 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 depositary shall fix the ADS record date in accordance with the provisions of the deposit agreement, provided that if the depositary 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 depositary 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 depositary will, subject to any applicable provisions of Cayman Islands law, 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 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 depositary 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 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 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 (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.

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). 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 the voting instructions 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 $1.50 per ADR for transfers of certificated or direct registration ADRs;
- a fee of $0.05 or less per ADS held for any cash distribution made, or for any elective cash/share dividend offered, pursuant to the deposit agreement;
- 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 depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depositary 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 depositary'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 depositary and shall be payable at the sole discretion of the depositary by billing such ADR holders or by deducting such charge from one or more cash dividends or other cash distributions);

- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the $0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those ADR holders entitled thereto;
- 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 depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

To facilitate the administration of various depositary receipt transactions, including disbursement of dividends or other cash distributions and other corporate actions, the depositary may engage the foreign exchange desk within , 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 depositary will disclose which foreign exchange rate and spread, if any, apply to such currency on the "Disclosure" page (or successor page) of . 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 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 depositary, 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 depositary, neither the Bank nor any of its affiliates will execute a foreign exchange transaction as set forth herein. In such case, the depositary 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 depositary on . 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 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. Such notice need not describe in detail the specific amendments effectuated thereby, but must identify to ADR holders and beneficial owners a means to access the text of such amendment. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder 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 may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the depositary shall have (i) resigned as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered ADR holders unless a successor depositary shall not be operating under the deposit agreement within 60 days of the date of such resignation, and (ii) been removed as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders of ADRs unless a successor depositary shall not be operating under the deposit agreement on the 60th day after our notice of removal was first provided to the depositary.

After the date so fixed for termination, (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 depositary may establish consistent with the deposit agreement.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depositary; provided that the ability to withdraw shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depositary, 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 depositary and our respective agents 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 depositary'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 depositary 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 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 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 requested;
- 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.

Neither the depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities, the ADSs or the ADRs. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities, the ADSs or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the deposit agreement or ADRs to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depositary shall not be liable for the acts or omissions made by, 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 . 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(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, (ii) the depositary shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the depositary, and (iii) 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. For all purposes under the deposit agreement and the ADRs, the ADR holders thereof shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by such ADRs.

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 you 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 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 a state or federal court in New York, New York.

Notwithstanding the foregoing, (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 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 conducted under the terms described below, 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 under the terms described below. 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, or UNCITRAL.

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 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), including any claim under the U.S. federal securities laws.

If we or the depositary 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 depositary's compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder.

ORDINARY SHARES AND AMERICAN DEPOSITORY SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have ADSs outstanding, representing approximately % of our outstanding ordinary shares, including 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 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 intend to apply to list the ADSs on the Nasdaq Global Market, but we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

Lock-up Agreements

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 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 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 2022 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 4,722,458 ordinary shares issued under the 2019 Plan and the 2022 Plan will cover 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

Cayman Islands

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.

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

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.

We are also treated as a U.S. corporation subject to U.S. federal income tax pursuant to Section 7874 of the Code and are also subject to U.S. federal income tax on our worldwide income. A number of material U.S. federal income tax consequences may result from our classification under Section 7874 of the Code, and this summary is not intended 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 our treatment 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 that are not discussed in this summary. Each shareholder should seek tax advice, based on such shareholder's particular circumstances, from an independent tax advisor.

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 common stock 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 common stock, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of our common stock 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 common stock 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.

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 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, ShouTi 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 , 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 Market Corp.	
Total	

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 except sales to accounts over which they have discretionary authority to exceed % of the ADSs being offered.

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.

	PER ADS		TOTAL	
	WITHOUT OPTION TO PURCHASE ADDITIONAL ADSS	WITH OPTION TO PURCHASE ADDITIONAL ADSS	WITHOUT OPTION TO PURCHASE ADDITIONAL ADSS	WITH OPTION TO PURCHASE 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 $.

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 intend to apply to have our ADSs approved for listing on the Nasdaq Global Market under the trading symbol “ ”.

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 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.

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-l(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 depositary 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 United States 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 shares of ADSs upon the closing of this offering.

EXPERTS

The financial statements as of December 31, 2020 and for the year 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.shoutipharma.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.

SHOUTI INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of ShouTi Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of ShouTi Inc. and its subsidiaries (the "Company") as of December 31, 2020, and the related consolidated statements of operations and comprehensive loss, of redeemable convertible preferred shares and shareholders' deficit and of cash flows for the year 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, 2020, and the results of its operations and its cash flows for the year 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 audit. 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 audit of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit 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 audit 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 audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

San Jose, California
February 14, 2022

We have served as the Company's auditor since 2020.

SHOUTI INC.

CONSOLIDATED BALANCE SHEET
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	DECEMBER 31, 2020
Assets	
Current assets:	
Cash and cash equivalents	$ 16,352
Short-term investments	21,093
Prepaid expenses and other current assets	974
Total current assets	38,419
Property and equipment, net	19
Operating right-of-use assets	258
Other non-current assets	8
Total assets	$ 38,704
Liabilities, redeemable convertible preferred shares and shareholders' deficit	
Current liabilities:	
Accounts payable	$ 1,527
Accrued expenses and other current liabilities	1,365
Operating lease liabilities, current portion	147
Total current liabilities	3,039
Operating lease liabilities, net of current portion	133
Total liabilities	$ 3,172
Commitments and contingencies (Note 6)	
Redeemable convertible preferred shares issuable in series, $0.0001 par value;	
Authorized shares: 32,000 as of December 31, 2020;	
Issued and outstanding shares: 32,000 as of December 31, 2020;	
Liquidation preference: $58,001 as of December 31, 2020	58,001
Shareholders' deficit:	
Ordinary shares, $0.0001 par value;	
Authorized shares 468,000 as of December 31, 2020;	
Issued and outstanding shares: 10,865 as of December 31, 2020	1
Additional paid-in capital	477
Accumulated other comprehensive loss	(1)
Accumulated deficit	(22,946)
Total shareholders' deficit	(22,469)
Total liabilities, redeemable convertible preferred shares and shareholders' deficit	$ 38,704

The accompanying notes are an integral part of these consolidated financial statements.

SHOUTI INC.

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED DECEMBER 31, 2020
Operating expenses:	
Research and development	$ 12,364
General and administrative	3,542
Total operating expenses	15,906
Loss from operations	(15,906)
Interest expense	(24)
Interest and other income, net	192
Loss before income tax expense	(15,738)
Provision for income taxes	138
Net loss	$ (15,876)
Net loss per share attributable to ordinary shareholders, basic and diluted	$ (2.56)
Weighted-average ordinary shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	6,262
Other comprehensive loss:	
Unrealized loss on investments, net	(1)
Total other comprehensive loss	(1)
Comprehensive loss	$ (15,877)

The accompanying notes are an integral part of these consolidated financial statements.

SHOUTI INC.

CONSOLIDATED STATEMENT OF REDEEMABLE CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' DEFICIT
(IN THOUSANDS)

	REDEEMABLE CONVERTIBLE PREFERRED SHARES		ORDINARY SHARES		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE LOSS	ACCUMULATED DEFICIT	TOTAL SHAREHOLDERS DEFICIT
	SHARES	AMOUNT	SHARES	AMOUNT				
Balance at December 31, 2019	19,200	$ 32,001	10,865	$ 1	$ —	$ —	$ (7,070)	$ (7,069)
Net loss	—	—	—	—	—	—	(15,876)	(15,876)
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)
Balance at December 31, 2020	32,000	$ 58,001	10,865	$ 1	$ 477	$ (1)	$ (22,946)	$ (22,469)

The accompanying notes are an integral part of these consolidated financial statements.

SHOUTI INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS)

	YEAR ENDED DECEMBER 31, 2020
Cash flows from operating activities	
Net loss	$ (15,876)
Adjustments to reconcile net loss to net cash used in operating activities:	
Share-based compensation expense	570
Non-cash lease expense	20
Amortization of net investment premium	34
Amortization of debt discount and issuance costs	23
Changes in operating assets and liabilities:	
Prepaid expenses and other current assets	(919)
Other non-current assets	39
Accounts payable	1,020
Accrued expenses and other current liabilities	804
Operating lease liabilities	2
Net cash used in operating activities	(14,283)
Cash flows from investing activities	
Purchases of short-term investments	(21,128)
Purchases of property and equipment	(19)
Net cash used in investing activities	(21,147)
Cash flows from financing activities	
Proceeds from issuance of Series A+ redeemable convertible preferred shares, net of issuance costs	25,837
Net cash provided by financing activities	25,837
Net change in cash and cash equivalents	(9,593)
Cash and cash equivalents	
Beginning of the period	25,945
End of the period	$ 16,352
Supplemental disclosures of noncash investing and financing activities	
Issuance of ordinary share warrants	$ 70
Operating lease right-of-use assets obtained in exchange for new lease liabilities	$ 278

The accompanying notes are an integral part of these consolidated financial statements.

SHOUTI INC.

NOTES TO FINANCIAL STATEMENTS

1. Organization and Nature of the Business

ShouTi 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. ShouTi Inc., a Delaware corporation ("ShouTi US"), was incorporated on June 6, 2016. On January 20, 2017, ShouTi 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, ShouTi US and the Company entered into a share exchange agreement (the "Share Exchange Agreement"). As a result of the Share Exchange Agreement, ShouTi 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 ShouTi US, an aggregate of 10,766,250 ordinary shares (the "Share Exchange"). On April 19, 2019, ShouTi US was converted into ShouTi Inc., a Delaware corporation. 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.

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries ShouTi US, Annapurna, Gasherbrum, ShouTi Hong Kong, ShouTi Shanghai (wholly-owned subsidiary of ShouTi Hong Kong) and Lhotse.

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 $23.0 million as of December 31, 2020. 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, expenses 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 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, 2020, the Company had cash, cash equivalents and short-term investments of $37.5 million. In addition, in July 2021, the Company issued and sold shares of its Series B redeemable convertible preferred shares for gross proceeds of $100.0 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. 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 period 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, 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.

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, the Company's cash and cash equivalents consist of cash deposited with banks and investments in money market funds.

Short-Term Investments

The Company has invested in corporate debt securities. It 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 condensed consolidated statement of operations and comprehensive loss. No such adjustments were necessary during the periods presented.

Fair Value of Financial Instruments

The Company established 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.

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 level 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 and consists of furniture and fixtures. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally three to five years. 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.

SHOUTI INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 sheet. 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 sheet 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 sheet 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 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 redeemable convertible preferred shares are recorded outside of permanent equity because while it is not mandatorily redeemable, 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 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 statement 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 judgement 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.

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.

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. 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, diluted net loss per ordinary share is the same as basic net loss per ordinary share.

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 sheet.

SHOUTI INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Updated ("ASU") No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements on fair value measurements. The new disclosure requirements include disclosure related to changes in unrealized gains or losses included in other comprehensive income (loss) for recurring Level 3 fair value measurements held at the end of each reporting period and the explicit requirement to disclose the range and weighted-average of significant unobservable inputs used for Level 3 fair value measurements. This ASU removes the requirement to disclose: the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy; the policy for timing of transfers between levels; and the valuation processes for Level 3 fair value measurements. For all entities, this ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The Company adopted this ASU effective January 1, 2020. 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.

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 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 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

Other non-current assets consist of deferred debt issuance costs.

Accrued expenses and other current liabilities consisted of the following (in thousands):

	DECEMBER 31, 2020
Accrued compensation	$ 819
Accrued research and development expenses	280
Income tax payable	138
Accrued other liabilities	128
Total accrued expenses and other current liabilities	$ 1,365

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.

SHOUTI 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			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Money market funds	$15,213	$ —	$ —	$15,213
Cash equivalents	15,213	—	—	15,213
Corporate debt securities	—	21,093	—	21,093
Short-term investments	—	21,093	—	21,093
Total fair value of financial assets	$15,213	$21,093	$ —	$36,306

	DECEMBER 31, 2020			
	AMORTIZED COST	UNREALIZED LOSSES	UNREALIZED GAINS	FAIR VALUE
Money market funds	$ 15,213	$ —	$ —	$15,213
Cash equivalents	15,213	—	—	15,213
Corporate debt securities	21,094	(1)	—	21,093
Short-term investments	21,094	(1)	—	21,093
Total fair value of financial assets	$ 36,307	$ (1)	$ —	$36,306

As of December 31, 2020, 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 year ended December 31, 2020.

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.

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 Tranche A was not drawn by the Company and expired on July 31, 2021.

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, 2020, 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 expires on December 31, 2022. 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. The total base lease payments over the life of the lease are $0.3 million excluding payments for extended lease period.

The maturities of operating lease liabilities as of December 31, 2020 were as follows (in thousands):

2021	$ 158
2022	135
Total undiscounted lease payments	293
Less: imputed interest	13
Total operating lease liability	280
Less: current portion	147
Operating lease liability, net of current portion	$ 133

Operating lease cost was $0.2 million for the year ended December 31, 2020.

As of December 31, 2020, the remaining term for the operating lease in Chamtime Plaza in Shanghai was 2.0 years, and the discount rate used to measure the lease liability for such operating lease upon recognition was 6.15%.

During the year ended December 31, 2020, cash paid for amounts included in operating lease liabilities of $0.1 million was included in cash flows from operating activities on the consolidated statement 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 Delaware corporate law. The Company currently has directors' and officers' liability insurance. As of December 31, 2020, 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.

As of December 31, 2020, redeemable convertible preferred shares consisted of the following (in thousands except share and per share amounts):

	SHARES AUTHORIZED	ORIGINAL ISSUE PRICE	SHARES ISSUED AND OUTSTANDING	CARRYING VALUE	LIQUIDATION VALUE
Series A	19,200,000	$ 1.6667	19,200,000	$ 32,001	$ 32,001
Series A+	12,799,681	2.0313	12,799,681	26,000	26,000
	31,999,681		31,999,681	$ 58,001	$ 58,001

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 shares of 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"). On December 31, 2020, the carrying value of the redeemable convertible preferred shares was adjusted to equal to its redemption value. The redeemable convertible preferred shares tranche liability was settled in December 2019 upon the Milestone Closing.

The Milestone Closing occurred on December 9, 2019, and the Company issued 9,600,000 shares of Series A redeemable convertible preferred shares at $1.6667 per share for gross proceeds of $16.0 million.

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.

SHOUTI 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.

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 vote together with the holders of ordinary shares as a single class.

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 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, 2020.

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 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 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 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 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

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, 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 $250.0 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.

8. 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 sheet that will be amortized to interest expense 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 sheet 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 expense. 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)	10.0
Expected volatility	83.3%
Risk-free interest rate	0.52%
Dividend yield	0%

9. Ordinary Shares

The Company's Memorandum and Articles of Association, as amended, authorizes the Company to issue 468,000,319 ordinary shares with a par value of $0.0001 per share, as of December 31, 2020.

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, no dividends on ordinary shares had been declared by the board of directors.

SHOUTI INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Company has the following ordinary shares reserved for future issuance (in thousands):

	DECEMBER 31, 2020
Conversion of redeemable convertible preferred shares	32,000
Share options available for future grant	626
Share options issued and outstanding	1,524
Ordinary share warrants	179
Total ordinary shares reserved	34,329

10. 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, 2020, there were 2,150,000 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):

		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
Outstanding, December 31, 2019	1,349	801	$ 0.34	9.7	$ 40
Options granted	(723)	723	0.42		
Outstanding, December 31, 2020	626	1,524	0.38	8.9	157
Options exercisable December 31, 2020		415	0.36	8.8	50
Vested and expected to vest, December 31, 2020		1,524	0.38	8.9	157

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 December 31, 2020.

The total fair value of options that vested during the year ended December 31, 2020 was $0.1 million.

SHOUTI INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 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

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
Research and development	$ 355
General and administrative	215
Total share-based compensation	$ 570

As of December 31, 2020, the total unrecognized share-based compensation expense related to unvested share options was $0.2 million, which is expected to be recognized over the remaining weighted-average vesting period of 2.8 years.

As of December 31, 2020, the total unrecognized compensation expense related to unvested restricted shares was $1.1 million, which is expected to be recognized over the remaining weighted-average vesting period of 2.3 years.

The fair value of restricted shares vested during the year ended December 31, 2020 was $0.8 million.

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 year ended December 31, 2020 had a weighted-average per share grant-date fair value of $0.29 per share, which was estimated using the following weighted-average assumptions:

	YEAR ENDED DECEMBER 31, 2020
Expected term (in years)	5.9
Expected volatility	81.1%
Risk-free interest rate	1.2%
Expected dividend yield	0.0%

SHOUTI INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

11. Income Taxes

The following table presents loss before income tax expense (in thousands):

	YEAR ENDED DECEMBER 31, 2020
(Loss) income before income expense:	
Domestic loss	$ (16,831)
Foreign income	1,093
Loss before income tax expense	$ (15,738)

SHOUTI INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following table presents the current and deferred income tax provision for income taxes (in thousands):

	YEAR ENDED DECEMBER 31, 2020
Current tax provision (benefit):	
Federal	$ —
State	—
Foreign	138
	138
Deferred tax provision (benefit):	—
Federal	—
State	—
Foreign	—
	—
Total provision (benefit) for income taxes:	$ 138

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
Expected tax at 0%	—%
State income tax, net of federal tax	7.4
Non-deductible expenses	(0.2)
U.S. income tax differential	22.3
Other foreign income tax differential	(0.9)
Research credits	0.2
Change in valuation allowance	(29.7)
Effective tax rate	(0.9)%

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.

SHOUTI INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Significant components of the Company's net deferred tax asset or liability were as follows (in thousands):

	DECEMBER 31, 2020
Net operating loss	$ 5,805
Compensation	239
Related party accrued expenses	752
Other	9
Research credits	44
Total gross deferred tax assets	6,849
Valuation allowance	(6,849)
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 was required as of December 31, 2020 for those deferred tax assets that are not expected to provide future tax benefits.

At December 31, 2020 the Company had available net operating loss carryforwards of approximately $20.7 million for federal income tax purposes, all of which were generated after 2017. The federal net operating loss carryforwards are not subject to expiration.

At December 31, 2020 the net operating losses for state purposes was $20.8 million and will begin to expire in 2037 if not utilized.

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.

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 Company recognizes interest and penalties related to unrecognized tax positions within the income tax expense line in the accompanying consolidated statement of operations and comprehensive loss. There were no accrued interest and penalties associated with uncertain tax positions as of December 31, 2020.

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, 2020, the 2017 to 2020 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.

SHOUTI INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

12. 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):

	YEAR ENDED DECEMBER 31, 2020
Numerator:	
Net loss attributable to ordinary shareholders	$ (15,876)
Accretion of redeemable convertible preferred shares to their redemption value	(163)
Net loss attributable to ordinary shareholders	$ (16,039)
Denominator:	
Weighted-average ordinary shares outstanding	10,865
Less: weighted-average unvested restricted ordinary shares subject to repurchase	(4,603)
Weighted-average ordinary shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	6,262
Net loss per share attributable to ordinary shareholders, basic and diluted	$ (2.56)

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 period presented because including them would have been antidilutive (in thousands):

	DECEMBER 31, 2020
Redeemable convertible preferred shares	32,000
Options to purchase ordinary shares	1,524
Ordinary share warrants	179
Unvested restricted ordinary share awards	3,436
Total	37,139

13. 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.

14. Related Party Transaction

Ramy Farid, the President and Chief Executive Officer of Schrödinger, Inc. (“Schrödinger”) is a member of the Company’s board of directors. During the year ended December 31, 2020, the Company had existing collaboration agreements to use the results provided by Schrodinger’s software platform for its research purposes. In the year ended December 31, 2020, the Company paid $0.3 million to Schrödinger and had no payable balance to Schrödinger as of December 31, 2020.

15. Subsequent Events

The Company has evaluated subsequent events through the date the consolidated financial statements were available to be issued on February 14, 2022.

SHOUTI INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 for total gross proceeds of $100.0 million.

In March 2021, Basecamp Bio Inc. ("Basecamp"), the Company's 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 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 and the Company received 14,000,000 ordinary shares of Basecamp in exchange. Basecamp was considered a variable interest entity and the Company consolidated Basecamp as it was the primary beneficiary. 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. No Series Seed redeemable convertible preference shares of Basecamp remain outstanding.

American Depository Shares

Representing **Ordinary Shares**

ShouTi Inc.

American Depository Shares

PRELIMINARY PROSPECTUS

Jefferies
SVB Leerink
Guggenheim Securities
BMO Capital Markets

, 2022

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	$ *
FINRA filing fee	*
Nasdaq listing fee	*
Printing expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be filed by amendment.

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 179,129 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) 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 4,722,458 ordinary shares to our employees, directors and consultants, at a weighted-average exercise price of $0.8059 per share. Through the effective date of this registration statement, 29,166 ordinary shares were issued upon the exercise of options granted to employees, directors and consultants and the payment of $11,375 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 , 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+†	ShouTi Inc. 2022 Equity Incentive Plan (including Forms of Option Grant Notice, Option Agreement and Notice of Exercise thereunder).
10.4+†	ShouTi Inc. 2022 Employee Share Purchase Plan.
10.5+	Executive Employment Agreement, by and between the registrant and Raymond Stevens, dated May 16, 2019.
10.6+	Executive Employment Agreement by and between the registrant and Jun Yoon, dated May 1, 2019.
10.7+	Offer Letter, by and between the registrant and Mark Bach, M.D., dated April 19, 2021.
10.8+	Offer Letter, by and between the registrant and Melita Sun Jung, dated April 23, 2021.
10.9+	Offer Letter, by and between the registrant and Ding Ding, Ph.D., dated November 24, 2021.
10.10+	Employment Contract, by and between Shanghai ShouTi Biotechnology Co., Ltd. and Xichen Lin, dated July 22, 2019.
10.11+	Employment Contract, by and between Shanghai Basecamp Biotechnology Co., Ltd. and Yingli Ma, dated May 11, 2021.
10.12+	Board Service Agreement by and between the registrant and Daniel Welch, dated December 10, 2021.
10.13+†	Non-Employee Director Compensation Policy

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
10.14*	Collaboration Agreement,by and between Lhotse Bio, Inc. and Schrödinger, LLC, dated October 9, 2020.
10.15	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.

† To be filed by amendment.

+ 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 , 2022.

SHOUTI INC.

By: _____

Raymond Stevens, Ph.D.
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Raymond Stevens, Ph.D. and Ding Ding, Ph.D. and each of them, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments), and to sign any registration statement for the same offering covered by this registration statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their, his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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.

SIGNATURE	TITLE	DATE
Raymond Stevens, Ph.D.	Chief Executive Officer and Director *(Principal Executive Officer)*	, 2022
Ding Ding, Ph.D.	Chief Financial Officer (*Principal Financial Officer*)	, 2022
Jun Yoon	Chief Operating Officer and Director (*Principal Accounting Officer*)	, 2022
Daniel Welch	Chairman	, 2022
Ramy Farid, Ph.D.	Director	, 2022
Cuiping Gu, Ph.D.	Director	, 2022

SIGNATURE	TITLE	DATE
Jessica Lifton	Director	, 2022
Chen Yu, M.D.	Director	, 2022

Exhibit 3.1

THE COMPANIES ACT

COMPANY LIMITED BY SHARES

FOURTH AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION OF

SHOUTI INC.

(adopted by a special resolution dated July 30, 2021, and effective on July 30, 2021)

1. The name of the Company is ShouTi Inc.

2. The Registered Office of the Company shall be at the offices of International Corporation Services Ltd., PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands, or at such other place as the Directors may from time to time decide.

3. The objects for which the Company is established are unrestricted.

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 Section 27(2) of the Companies Act.

5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.

6. The Company shall 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 clause 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.

7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.

8. The authorised share capital of the Company is US$50,000 divided into (a) 443,298,587 Ordinary Shares of a par value of US$0.0001 each and (b) 56,701,413 Preferred Shares of a par value of US$0.0001 each.

9. The Company may exercise the power contained in the Companies Act to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction.

THE COMPANIES ACT

COMPANY LIMITED BY SHARES

FOURTH AMENDED AND RESTATED

ARTICLES OF ASSOCIATION OF

SHOUTI INC.

(adopted by a special resolution dated July 30, 2021, and effective on July 30, 2021)

Table A

The regulations in Table A in the First Schedule to the Law (as defined below) do not apply to the Company.

INTERPRETATION

1. Definitions

1.1 In these Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Additional Ordinary Shares	has the meaning set forth in Article 3.3(d)(i) hereof;
Articles	these Fourth Amended and Restated Articles of Association, as amended and/or restated from time to time;
Auditor	the person for the time being performing the duties of auditor of the Company (if any);
Automatic Conversion Time	has the meaning set forth in Article 3.3(b) hereof;
Board	the board of directors appointed or elected pursuant to these Articles and acting at a meeting of directors at which there is a quorum or by written resolution in accordance with these Articles;
BVF	collectively, Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P. and Biotechnology Value Trading Fund OS, L.P.
Capital Account	has the meaning set forth in Article 65.1 hereof;
Chairman	the chairman of the Board;
Closing	has the meaning given such term in the Series B Purchase Agreement;
Code	the U.S. Internal Revenue Code of 1986, as amended;
Company	the company for which these Articles are approved and confirmed;

Conversion Price	has the meaning set forth in Article 3.3(a) hereof;
Convertible Securities	any bonds, debentures, notes or other evidences of indebtedness, and any warrants, shares or any other securities convertible into, exercisable for, or exchangeable for, Ordinary Shares, but excluding Options;
Director	a director of the Company;
Dividend	includes an interim dividend;
Exempted Securities	has the meaning set forth in Article 3.3(d)(i) hereof;
Imputed Underpayment Amount	has the meaning set forth in Article 19.4 hereof;
Interested Transaction	has the meaning set forth in Article 50.4 hereof;
Law	the Companies Act of the Cayman Islands and every modification, reenactment or revision thereof for the time being in force;
Liquidation Event	has the meaning set forth in Article 3.2(a) hereof;
Member	the person registered in the Register of Members as the holder of Shares in the capital of the Company and, when two or more persons are so registered as joint holders of Shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
Memorandum	the Fourth Amended and Restated Memorandum of Association of the Company, as amended and/or restated from time to time;
Month or month	calendar month;
Notice	written notice as further provided in these Articles unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Options	rights, options or warrants to subscribe for, purchase or otherwise acquire Ordinary Shares or Convertible Securities;
Ordinary Director	has the meaning set forth in Article 38 hereof;
Ordinary Share	an ordinary share of US$0.0001 par value in the capital of the Company having the rights attaching to it set out herein;
Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of Shares) of the Company by a simple majority of the votes cast, or a unanimous written resolution passed by all Members entitled to vote;

Original Issue Price	US$2.0313 per Series A+ Preferred Share, and US$4.0483 per Series B Preferred Share, as the case may be, in each case, as adjusted for any share Dividends, combinations, reclassifications or splits with respect to such Share;
Paid-Up	paid-up or credited as paid-up;
Preferred Directors	has the meaning set forth in Article 38 hereof;
Preferred Majority	the holders of at least a majority of the then outstanding Preferred Shares, voting together as a single class on an as-converted basis;
Preferred Share	a preferred share of any series of US$0.0001 par value in the capital of the Company having the rights attaching to it set out herein;
Qualified IPO	has the meaning set forth in Article 3.3(b) hereof;
Redemption Date	the Series A Redemption Date, the Series A+ Redemption Date, and/or the Series B Redemption Date, as the case may be;
Redemption Price	the Series A Redemption Price, the Series A+ Redemption Price, and/or the Series B Redemption Price, as the case may be;
Redemption Start Date	has the meaning set forth in Article 3.5(b)(i) hereof;
Register of Directors and Officers	the register of directors and officers referred to in these Articles;
Register of Members	the register of Members referred to in these Articles;
Registered Office	the registered office for the time being of the Company;
Requisite Preferred Directors	at least one Series B Director, at least one Series A+ Director and at least one Series A Director;
Seal	the common seal or any official or duplicate seal of the Company;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
Series A Directors	has the meaning set forth in Article 38 hereof;
Series A Initial Closing Date	April 29, 2019

Series A Majority	the holders of a majority of the then outstanding Series A Preferred Shares, voting together as a Series separate class;
Series A Preferred Share	a Preferred Share designated as a Series A Preferred Share on allotment and issue having the rights attaching to it set out herein;
Series A Redemption Date	has the meaning set forth in Article 3.5(d)(i) hereof;
Series A Redemption Notice	has the meaning set forth in Article 3.5(d) ii) hereof;
Series A Redemption Price	has the meaning set forth in Article 3.5(d)(i) hereof;
Series A+ Directors	has the meaning set forth in Article 38 hereof;
Series A/A+ Preferred Shares	collectively, the Series A Preferred Shares and the Series A+ Preferred Shares; and the "Series A/A+ Preferred Share" shall mean any of the Series A Preferred Shares and/or the Series A+ Preferred Shares;
Series A+ Majority	the holders of at least fifty-one percent (51%) of the then outstanding Series A+ Preferred Shares, voting together as a separate class;
Series A+ Preferred Share	a Preferred Share designated as a Series A+ Preferred Share on allotment and issue having the rights attaching to it set out herein;
Series A+ Redemption Date	has the meaning set forth in Article 3.5(c)(i) hereof;
Series A+ Redemption Date Notice	has the meaning set forth in Article 3.5(c)(ii) hereof;
Series A/A+ Redemption Price	has the meaning set forth in Article 3.5(c)(ii) hereof;
Series B Director	has the meaning set forth in Article 38 hereof;
Series B Majority	the holders of at least seventy-one percent (71%) of the then outstanding Series B Preferred Shares, voting together as a separate class;
Series B Preferred Share	a Preferred Share designated as a Series B Preferred Share on allotment and issue having the rights attaching to it set out herein;
Series B Purchase Agreement	the Series B Preferred Share Purchase Agreement dated July 30, 2021, by and among the Company and the other parties set forth therein (as the same may be amended from time to time);
Series B Redemption Date	has the meaning set forth in Article 3.5(b)(i) hereof;
Series B Redemption Notice	has the meaning set forth in Article 3.5(b)(ii) hereof;

Series B Redemption Price	has the meaning set forth in Article 3.5(b)(i) hereof;
Share or Shares	share or shares in the capital of the Company and includes a fraction of a share and includes, without limitation, any Ordinary Share and Preferred Share;
Special Resolution	a resolution passed as such at a general meeting (or, if so specified, a meeting of Members holding a class of Shares) of the Company by a majority of not less than two thirds of the votes cast, as provided in the Law, or a unanimous written resolution passed as such by all Members entitled to vote as provided in Article 30.1 hereof;
Subsidiary Trade Sale	has the meaning set forth in Article 3.2(c) hereof;
Withholding Payment	has the meaning set forth in Article 19.4 hereof;
Written Resolution	a resolution passed in accordance with Article 36 or 58 hereof; and
Year or year	calendar year.

1.2 In these Articles, where not inconsistent with the context:

(a) words denoting the plural number include the singular number and vice versa;

(b) words denoting the masculine gender include the feminine and neuter genders;

(c) words importing persons include companies, associations or bodies of persons whether corporate or not;

(d) the words:

(i) "may" shall be construed as permissive; and

(ii) "shall" shall be construed as imperative;

(e) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof; and

(f) unless otherwise provided herein, words or expressions defined in the Law shall bear the same meaning in these Articles.

1.3 In these Articles expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Articles are for convenience only and are not to be used or relied upon in the construction hereof.

1.5 Sections 8 and 19 of the Electronic Transactions Act (as amended) of the Cayman Islands shall not apply.

SHARES

2. Power to Issue Shares

2.1 Subject to the Memorandum and to the provisions of Articles 3 and 4 hereof and without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, the Board shall have the power to allot and issue two classes of Shares of the Company (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of Shares) to be designated, respectively, as Ordinary Shares and Preferred Shares. The Preferred Shares may be allotted and issued from time to time in one or more series. The series of Preferred Shares shall be designated prior to their allotment and issue; provided, however, (a) 19,200,000 Preferred Shares are designated "Series A Preferred Shares" as of the adoption of these Articles, (b) 12,799,681 Preferred Shares are hereby designated "Series A+ Preferred Shares" as of the adoption of these Articles, and (c) 24,701,732 Preferred Shares are hereby designated "Series B Preferred Shares" as of the adoption of these Articles. In the event that any Preferred Shares shall be converted pursuant to Article 3.3 hereof, the Preferred Shares so converted shall be redeemed and cancelled and the Members may thereafter take such appropriate action as may be necessary to reduce the authorized number of Preferred Shares accordingly. Further, any Preferred Share acquired by the Company by reason of redemption, repurchase, conversion or otherwise shall be cancelled and the Members may thereafter take such appropriate action as may be necessary to reduce the authorized number of Preferred Shares accordingly.

2.2 The Company shall not issue Shares to bearer.

3. Preferred Shares

Certain rights, preferences, privileges and limitations of Preferred Shares are as follows:

3.1 **Dividends**. The holders of outstanding Preferred Shares shall be 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 on the Ordinary Shares. Such Dividends shall not be cumulative, and no rights shall accrue to the holders of Preferred Shares by reason of the fact that Dividends on such Shares are not declared or paid in any prior year.

3.2 **Liquidation Preference**.

(a) **Liquidation Event**. In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary (a "**Liquidation Event**"), the holders of Ordinary Shares and Preferred Shares shall, subject to the Law and these Articles, be entitled to receive amounts according to the following arrangements:

(i) The holders of Series B Preferred Shares shall be entitled to receive, on a pari passu basis and prior and in preference to any distribution of the assets or surplus funds of the Company to the holders of Series A/A+ Preferred Shares, Ordinary Shares or any other equity securities of the Company, by reason of their ownership thereof, an amount equal to the Original Issue Price per Series B Preferred Share then held by them, plus all declared but unpaid Dividends with respect to such Series B Preferred Share. If upon the occurrence of a Liquidation Event, the assets and funds of the Company available to be distributed among the holders of Series B Preferred Shares shall be insufficient to permit the payment to the holders of Series B Preferred Shares of the full preferential amount due to them for their Series B Preferred Shares under this Article 3.2(a)(i), the entire assets and funds of the Company legally available for distribution to them shall be distributed ratably among the holders of Series B Preferred Shares in proportion to the preferential amount to which each such holder would otherwise be entitled.

(ii) Upon the completion in full of the distribution required to be paid to the holders of Series B Preferred Shares by the preceding Article 3.2(a)(i), the holders of Series A/A+ Preferred Shares shall be entitled to receive, on a pari passu basis and prior and in preference to any distribution of the assets or surplus funds of the Company to the holders of Ordinary Shares or any other equity securities of the Company (excluding the Series B Preferred Shares), by reason of their ownership thereof, an amount equal to the applicable Original Issue Price per Series A/A+ Preferred Share then held by them, plus all declared but unpaid Dividends with respect to such Series A/A+ Preferred Share. If upon the occurrence of a Liquidation Event, the assets and funds of the Company available to be distributed among the holders of Series A/A+ Preferred Shares shall be insufficient to permit the payment to the holders of Series A/A+ Preferred Shares of the full preferential amount due to them for their Series A/A+ Preferred Shares, the entire remaining assets and funds of the Company legally available for distribution to them shall be distributed ratably among the holders of Series A/A+ Preferred Shares in proportion to the preferential amount to which each such holder would otherwise be entitled.

(iii) Upon the completion in full of the distributions required by the preceding Articles 3.2(a)(i) and 3.2(a)(ii), the entire remaining assets and funds of the Company legally available for distribution shall be distributed with equal priority among the holders of Preferred Shares and the holders of Ordinary Shares, pro rata based on the number of Shares held by each such holder, treating for such purpose all Preferred Shares as if they had been converted to Ordinary Shares pursuant to Article 3.3 hereof, until such time as the aggregate amount distributed to the holders of Preferred Shares under Articles 3.2(a)(i), (ii) and (iii) is equal to three (3) times the applicable Original Issue Price per Preferred Share then held by them.

(iv) Upon the completion of the distribution required by the preceding Articles 3.2(a)(i), 3.2(a)(ii) and 3.2(a)(iii), the entire remaining assets and funds of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of Ordinary Shares. Notwithstanding the above, for purposes of determining the amount each holder of Preferred Shares is entitled to receive with respect to a Liquidation Event, each such holder of Preferred Shares shall be deemed to have converted (regardless of whether such holder actually converted or not) such holder's Preferred Shares into Ordinary Shares immediately prior to the Liquidation Event if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert Preferred Shares into Ordinary Shares. If any such holder shall be deemed to have converted Preferred Shares into Ordinary Shares pursuant to this paragraph (iv), then such holder shall not be entitled to receive any distribution that would otherwise be made to holders of Preferred Shares that have not converted (or have not been deemed to have converted) into Ordinary Shares.

(b) **Subsidiary Trade Sale**. In the event of any Subsidiary Trade Sale, subject to the Law and these Articles, the entirety of the consideration received by the Company for such Subsidiary Trade Sale (net of any retained liabilities associated with the transaction, as determined in good faith by the Directors) that is legally available for distribution shall be distributed by the Company with equal priority among the holders of Preferred Shares and Ordinary Shares, pro rata based on the number of Shares held by such holder, treating for such purpose all Preferred Shares as if they had been converted to Ordinary Shares pursuant to Article 3.3 hereof. The Company shall not have the power to effect a Subsidiary Trade Sale in which the resulting proceeds are not distributed to the holders of Shares in accordance with the foregoing sentence.

(c) **Certain Definitions**. For purposes of this Article 3.2, unless waived in writing by the Series A Majority, the Series A+ Majority and the Series B Majority, a Liquidation Event shall be deemed to be occasioned by, or to include (without in any way limiting the original meaning of Liquidation Event): (i) the acquisition of the Company or of at least fifty percent (50%) of all of the outstanding Shares (on an as-converted basis) of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any merger, amalgamation, consolidation or share purchase, but excluding any merger effected exclusively for the purpose of changing the domicile of the Company) unless the Company's shareholders of record as constituted immediately prior to such transaction or series of related transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued as consideration for the Company's acquisition or sale or otherwise) hold a majority of the voting power of the surviving or acquiring entity (or its parent); (ii) a sale, lease or other disposition (but not including a transfer or lease by pledge or mortgage to a bona fide lender) of all or substantially all of the assets of the Company (or any series of related transactions resulting in such sale, lease or other disposition of all or substantially all of the assets of the Company); or (iii) an exclusive, irrevocable license to all or substantially all of the intellectual property of the Company (or any series of related transactions resulting in such exclusive, irrevocable license to all or substantially all the intellectual property of the Company). A "**Subsidiary Trade Sale**" shall mean (x) the acquisition of a subsidiary of the Company or of at least fifty percent (50%) of all of the outstanding capital stock (on an as- converted basis) of such subsidiary by another entity by means of any transaction or series of related transactions (including, without limitation, any merger, amalgamation, consolidation or share purchase, but excluding any merger effected exclusively for the purpose of changing the domicile of subsidiary) unless such subsidiary's shareholder(s) of record as constituted immediately prior to such transaction or series of related transactions will, immediately after such transaction or series of related transactions (by virtue of securities issued as consideration for such subsidiary's acquisition or sale or otherwise) hold a majority of the voting power of the surviving or acquiring entity (or its parent); (y) a sale, lease or other disposition (but not including a transfer or lease by pledge or mortgage to a bona fide lender) of all or substantially all of the assets of a subsidiary of the Company (or any series of related transactions resulting in such sale, lease or other disposition of all or substantially all of the assets of such subsidiary); or (z) an exclusive, irrevocable license to all or substantially all of the intellectual property of a subsidiary of the Company (or any series of related transactions resulting in such exclusive, irrevocable license to all or substantially all of the intellectual property of such subsidiary), in each case, excluding any transaction or series of related transactions that would otherwise constitute a Liquidation Event. For clarity, any transaction or series of related transactions in which all or substantially all of the value of the Company and its subsidiaries, taken as a whole (as determined in good faith by a majority of the Board of Directors, including at least one Series B Director), is transferred, sold, exclusively licensed or otherwise disposed of, then such transaction or series of related transactions shall not be a Subsidiary Trade Sale, but shall instead constitute a Liquidation Event.

(d) **Amount Deemed Paid or Distributed**. In any of the events specified in Article 3.2(c) above, if the consideration received by the Company or its shareholders (or any subsidiary of the Company and such subsidiary's shareholders(s)) is other than cash, its value will be deemed its fair market value as determined (unless otherwise provided for herein) in good faith by the Directors, including the approval of the Requisite Preferred Directors.

(e) **Allocation of Contingent Consideration**. In the event of a deemed Liquidation Event pursuant to Article 3.2(c)(i), if any portion of the consideration payable to the shareholders of the Company is placed into escrow and/or is payable to the shareholders of the Company subject to contingencies, the definitive agreement with respect to such deemed Liquidation Event shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "Initial Consideration") shall be allocated among the holders of share capital of the Company in accordance with Article 3.2(a) as if the Initial Consideration were the only consideration payable in connection with such deemed Liquidation Event and (b) any additional consideration that becomes payable to the shareholders of the Company upon release from escrow or satisfaction of contingencies shall be allocated among the holders of share capital of the Company in accordance with Article 3.2(a) after taking into account the previous payment of the Initial Consideration as part of the same transaction.

3.3 **Conversion**. The holders of Preferred Shares shall have conversion rights as follows:

(a) **Right to Convert**. Each Preferred Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such Share at the office of the Company or any transfer agent for such Share, subject to Article 3.3(g)(i) hereof, into such number of fully-paid and non- assessable Ordinary Shares as is determined by dividing (i) the applicable Original Issue Price by the Conversion Price applicable to such Preferred Share, determined as hereinafter provided, in effect on the date the certificate is surrendered by such holder to the Company or the transfer agent for conversion; provided that such holder may waive such option to convert upon written notice to the Company. The initial "**Conversion Price**" shall be US$1.6667 per Series A Preferred Share, US$2.0313 per Series A+ Preferred Share, and US$4.0483 per Series B Preferred Share, as the case may be. Such initial Conversion Price shall be subject to adjustment as set forth in this Article 3.3.

(b) **Automatic Conversion**. Each Preferred Share shall automatically be converted, subject to Article 3.3(g)(i) hereof, into Ordinary Shares at the applicable Conversion Price at the time in effect for such Share immediately upon the earlier of: (i) the 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 US$400,000,000, and having an aggregate offering amount of not less than US$60,000,000 (a "**Qualified IPO**"), provided, however, if the per share price to the public in the Qualified IPO is less than the Original Issue Price for the Series B Preferred Shares in effect on the date of, and immediately prior to, the Qualified IPO, the automatic conversion of the Series B Preferred Shares into the Ordinary Shares pursuant to this Article 3.3(b)(i) shall be subject to the prior consent of the Series B Majority, or (ii) the date specified by the written consent or agreement of the Series A Majority, the Series A+ Majority and the Series B Majority (the earlier of (i) and (ii), the "**Automatic Conversion Time**") . Upon such automatic conversion, any declared and unpaid Dividends shall be paid in accordance with the provisions of Article 3.3(c).

(c) **Mechanics of Conversion**. Before any holder of Preferred Shares shall be entitled to convert the same into Ordinary Shares pursuant to Article 3.3(a) hereof, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for the Preferred Shares, and shall give written notice to the Company, at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for Ordinary Shares are to be issued. In the event of an automatic conversion pursuant to Article 3.3(b) hereof, the Company shall give written notice to all of the holders of record of Preferred Shares of the Automatic Conversion Time and the place designated for surrender of the certificates representing Preferred Shares. At the Automatic Conversion Time, all then outstanding Preferred Shares shall be converted into Ordinary Shares, which Ordinary Shares shall be deemed to be outstanding of record, automatically and without any further action by the holders of such shares and whether or not the certificate or certificates representing the converted Preferred Shares are surrendered to the Company or its transfer agent. The Company shall, as soon as practicable after receipt of the certificate or certificates in the case of a conversion pursuant to Article 3.3(a) hereof or after the Automatic Conversion Time in the case of a conversion pursuant to Article 3.3(b) hereof, issue and deliver to each applicable holder of Preferred Shares, or to the nominee or nominees of such holder, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid and a check payable to the holder in the amount of any declared but unpaid Dividends on the converted Preferred Shares, which Dividends, notwithstanding anything to the contrary in these Articles, shall be payable in cash or in kind (in the event of a share dividend) at such holder's option. Such conversion may be made in any manner permitted by applicable law, including (without limitation) by redemption and cancellation of the Preferred Shares and issuance of new Ordinary Shares in consideration for them, and shall be deemed to have been made when the corresponding entries have been made in the Register of Members, and the person or persons or entity or entities entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Ordinary Shares as of such date. If the conversion is in connection with an public offering of the Company's securities, the conversion may, at the option of any holder tendering Preferred Shares for conversion, be conditioned upon the closing of the sale of securities pursuant to such offering, in which event the person or persons or entity or entities entitled to receive the Ordinary Shares upon conversion of the Preferred Shares shall not be deemed to have converted such Preferred Shares until the Register of Members is updated immediately prior to the closing of such sale of securities.

(d) **Adjustments to Conversion Price for Diluting Issuances**.

(i) Special Definition. "**Additional Ordinary Shares**" shall mean all Ordinary Shares issued (or, pursuant to Article 3.3(d)(iii) hereof, deemed to be issued) by the Company after the date on which these Articles are adopted, other than (the following, collectively, the "**Exempted Securities**"):

(aa) Ordinary Shares issued or issuable upon conversion of Preferred Shares;

(bb) Ordinary Shares, Options or Convertible Securities issued or issuable as a Dividend or distribution on Preferred Shares or pursuant to any event for which adjustment is made pursuant to Article 3.3(e) or 3.3(f) hereof;

(cc) Ordinary Shares, Options or Convertible Securities issued or issuable to any employee, officer or Director of, or consultant to, the Company or any of its subsidiaries pursuant to a plan, agreement or similar arrangement approved by the Board, including the Requisite Preferred Directors;

(dd) Ordinary Shares or Convertible Securities issued or issuable upon the occurrence of any contingent right or the exercise of any Option, or Ordinary Shares issued or issuable upon the conversion or exchange of any Convertible Security, in each case, that is outstanding on the date of the Closing;

(ee) Ordinary Shares, Options or Convertible Securities issued or issuable to any bank, equipment lessor or other institutional lender pursuant to any debt financing or equipment leasing transaction, in each case as approved by the Board, including the Requisite Preferred Directors;

(ff) Ordinary Shares, Options or Convertible Securities issued or issuable in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships, in each case as approved by the Board, including the Requisite Preferred Directors, and provided that any such issuance is primarily for reasons other than financing;

(gg) Ordinary Shares, Options or Convertible Securities issued or issuable as acquisition consideration pursuant to the acquisition of another entity by the Company by merger, amalgamation, consolidation, scheme of arrangement, purchase of all or substantially all of the assets or capital stock of such entity or other reorganization, each as approved by the Board, including the Requisite Preferred Directors, and provided that any such issuance is primarily for reasons other than financing;

(hh) Preferred Shares issued pursuant to the Series B Purchase Agreement; and

(ii) Ordinary Shares, Options, Convertible Securities or other securities that are expressly determined not to be Additional Ordinary Shares hereunder in writing by the Preferred Majority.

(ii) No Adjustment of Conversion Price. No adjustment in the applicable Conversion Price shall be made in respect of the issuance of Additional Ordinary Shares unless the consideration per share for an Additional Ordinary Share issued or deemed to be issued by the Company is less than the applicable Conversion Price in effect on the date of, and immediately prior to, such issuance, as provided for by Article 3.3(d)(iv) hereof. No adjustment in the applicable Conversion Price otherwise required by this Article 3.3 shall affect any Ordinary Shares issued upon conversion of any Preferred Share prior to such adjustment.

(iii) Deemed Issuance of Additional Ordinary Shares. In the event the Company at any time or from time to time after the date on which the first Series B Preferred Share is issued shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any series of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Ordinary Shares (as set forth in the instrument relating thereto, assuming satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provisions contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities or the exercise of such Options, shall be deemed to be Additional Ordinary Shares issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Ordinary Shares shall not be deemed to have been issued unless the consideration per share (determined pursuant to Article 3.3(d)(v) hereof) of such Additional Ordinary Shares would be less than the applicable Conversion Price, as provided for by Article 3.3(d)(iv) hereof, in effect on the date of and immediately prior to such issue or record date, as the case may be, and provided further that in any such case in which Additional Ordinary Shares are deemed to be issued:

(aa) no further adjustment in the applicable Conversion Price shall be made upon the subsequent issue of Convertible Securities or Ordinary Shares upon the exercise of such Options or conversion or exchange of such Convertible Securities or upon the subsequent issue of Options for Convertible Securities or Ordinary Shares;

(bb) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase in the consideration payable to the Company, or decrease in the number of Ordinary Shares issuable, upon the exercise, conversion or exchange thereof, the applicable Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(cc) no readjustment pursuant to the immediately preceding paragraph (bb) shall have the effect of increasing the applicable Conversion Price to an amount which exceeds the lower of: (i) the applicable Conversion Price on the original adjustment date or (ii) the applicable Conversion Price that would have resulted from any issuance of Additional Ordinary Shares between the original adjustment date and such readjustment date;

(dd) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities that shall not have been exercised, the applicable Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

(i) in the case of Convertible Securities or Options for Ordinary Shares, the only Additional Ordinary Shares issued were the Ordinary Shares, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Company for the issue of such exercised Options plus the consideration actually received by the Company upon such exercise or for the issue of all such Convertible Securities that were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange; and

(ii) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Company for the Additional Ordinary Shares deemed to have been then issued was the consideration actually received by the Company for the issue of such exercised Options, plus the consideration deemed to have been received by the Company (determined pursuant to Article 3.3(d)(v) hereof) upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

(ee) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the applicable Conversion Price which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the applicable Conversion Price shall be adjusted pursuant to this Article 3.3(d)(iii) as of the actual date of their issuance.

(iv) Adjustment of the Conversion Price Upon Issuance of Additional Ordinary Shares. In the event the Company shall, at any time after the date on which the first Series B Preferred Share is issued, issue Additional Ordinary Shares (including Additional Ordinary Shares deemed to be issued pursuant to Article 3.3(d)(iii) hereof) without consideration or for a consideration per share less than the applicable Conversion Price in effect on the date of, and immediately prior to, such issuance, then and in such event, such Conversion Price shall be reduced, concurrently with such issuance, to a price determined by multiplying such Conversion Price immediately prior to such issuance by a fraction, the numerator of which shall be the sum of the number of Ordinary Shares outstanding immediately prior to such issue *plus* the number of Ordinary Shares issuable upon conversion of Preferred Shares and exercise or conversion of all Options and Convertible Securities outstanding immediately prior to such issuance *plus* the number of Ordinary Shares that the aggregate consideration received by the Company for the total number of Additional Ordinary Shares so issued would purchase at such applicable Conversion Price, and the denominator of which shall be the sum of the number of Ordinary Shares outstanding immediately prior to such issuance *plus* the number of Ordinary Shares issuable upon conversion of Preferred Shares and exercise or conversion of all Options and Convertible Securities outstanding immediately prior to such issuance *plus* the number of such Additional Ordinary Shares so issued.

(v) Determination of Consideration. For purposes of this Article 3.3(d), the consideration received by the Company for the issuance of any Additional Ordinary Shares shall be computed as follows:

(aa) Cash and Property. Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest or accrued Dividends and excluding any discounts, commissions or placement fees payable by the Company to any underwriter or placement agent in connection with the issuance of any Additional Ordinary Shares;

(ii) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as reasonably determined in good faith by the Directors, including the approval of the Requisite Preferred Directors; and

(iii) in the event Additional Ordinary Shares are issued together with other Shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received for the Additional Ordinary Shares, computed as provided in the immediately preceding paragraphs (i) and (ii), as reasonably determined in good faith by the Directors, including the approval of the Requisite Preferred Directors.

(bb) Options and Convertible Securities. The consideration per share received by the Company for Additional Ordinary Shares deemed to have been issued pursuant to Article 3.3(d)(iii) hereof, relating to Options and Convertible Securities, shall be determined by dividing (i) the total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities (determined in the manner described in the immediately preceding paragraph (aa)), plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by (ii) the maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(iv) Multiple Closing Dates. In the event the Company shall issue or sell, or shall be deemed to have issued or sold, on more than one date Additional Ordinary Shares that are a part of one transaction or a series of related transactions and that would result in an adjustment to the applicable Conversion Price pursuant to Article 3.3(d)(iv) above, and such issuance dates occur within a period of no more than ninety (90) days from the first such issuance to the final such issuance, then upon the final such issuance the applicable Conversion Price shall be readjusted to give effect to all such issuances as if they had occurred on the closing date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such ninety (90) day period).

(e) **Adjustments for Share Dividends, Subdivisions or Combinations of Ordinary Shares**. In the event the Company at any time after the date on which the first Series B Preferred Share is issued shall declare or pay without consideration any Dividends on the Ordinary Shares payable in Ordinary Shares or in any right to acquire Ordinary Shares, or in the event the outstanding Ordinary Shares shall be subdivided (by share split or otherwise than by payment of a Dividend in Ordinary Shares and without a corresponding adjustment to Preferred Shares), into a greater number of Ordinary Shares, the applicable Conversion Price in effect immediately prior to such dividend, declaration, payment or subdivision shall, concurrently with the effectiveness of any such event, be proportionately decreased. In the event the outstanding Ordinary Shares shall be combined (by reclassification or otherwise) into a lesser number of Ordinary Shares and without a corresponding adjustment to Preferred Shares, the applicable Conversion Price in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(f) **Adjustments for Reclassification, Exchange and Substitution**. Subject to Article 3.2(c) hereof, if the Ordinary Shares issuable upon conversion of Preferred Shares shall be changed into the same or a different number of Shares of any other series of Shares, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of Shares provided for in Article 3.3(e) above), then, concurrently with the effectiveness of such reorganization or reclassification, each Preferred Share shall be convertible into, in lieu of the number of Ordinary Shares which the holder of such Preferred Share would otherwise have been entitled to receive, a number of Shares of such other series of Shares which a holder of the number of Ordinary Shares deliverable upon conversion of such Preferred Share immediately before that change would have been entitled to receive in such reorganization or reclassification; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors, including a majority of the Preferred Directors) shall be made in the application of the provisions of this Article 3.3 with respect to the rights and interests thereafter of the holders of Preferred Shares, to the end that the provisions set forth in this Article 3.3 (including provisions with respect to changes in and other adjustments of the applicable Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any stock, securities or other property thereafter deliverable upon the conversion of Preferred Shares.

(g) **No Fractional Shares and Certificate as to Adjustments**.

(i) No fractional Shares shall be issued upon the conversion of any Preferred Shares, and the number of Ordinary Shares to be issued shall be rounded to the nearest whole Share (with one-half being rounded upward). Fractional Shares to be rounded to the nearest whole Share (with one-half being rounded upward) shall be determined on the basis of the total number of Preferred Shares the holder thereof is at the time converting into Ordinary Shares and the number of Ordinary Shares issuable upon such aggregate conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the applicable Conversion Price pursuant to this Article 3.3, the Company, at its expense, shall promptly (but in any event no later than ten (10) days thereafter) compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Shares and in no event later than ten (10) days thereafter, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the applicable Conversion Price at the time in effect, and (C) the number of Ordinary Shares and the amount, if any, of other property that at the time would be received upon the conversion of a Preferred Share.

(h) **Notices of Record Date**. If the Company shall propose at any time:

(i) to declare any Dividend or distribution upon Ordinary Shares, whether in cash, property, Shares or other securities, whether or not a regular cash Dividend and whether or not out of earnings or earned surplus;

(ii) to offer for subscription pro rata to the holders of any class or series of its Shares any additional Shares of any class or series or other rights;

(iii) to effect any reclassification or recapitalization of its Ordinary Shares outstanding involving a change in the Ordinary Shares; or

(iv) to enter into a merger, amalgamation, consolidation, scheme of arrangement or other business combination with or into any other corporation, or sell, lease or convey all or substantially all its property or business, or to liquidate, dissolve or wind up (including any Liquidation Event (which, for avoidance of doubt, includes any deemed Liquidation Event as set forth in Article 3.2(c) hereof));

then, in connection with each such event, unless such notice is waived in its entirety or the period for notice shortened with the written consent of the Preferred Majority, the Company shall send to the holders of Preferred Shares at least ten (10) days' prior written notice of the date on which a record shall be taken for such Dividend, distribution or subscription rights (and specifying the date on which the holders of Ordinary Shares shall be entitled thereto) or for determining rights to vote in respect of the matters referred to above in (iii) and (iv).

(i) **Reservation of Shares Issuable Upon Conversion**. The Company shall at all times reserve and keep available out of its authorised but unissued share capital, solely for the purpose of effecting the conversion of Preferred Shares pursuant to these Articles, such number of Ordinary Shares as shall from time to time be sufficient to effect the conversion of all then outstanding Preferred Shares. If at any time the number of authorised but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, in addition to such other remedies as shall be available to the holder of such Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorised but unissued Ordinary Shares to such number of Shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to these Articles.

(j) **Notice**. Any notice required by the provisions of this Article 3.3 to be given to the holders of Preferred Shares shall be given in the same manner set forth in Article 25.

3.4 **Voting Rights**. Each holder of any Preferred Shares shall be entitled to the number of votes equal to that number of Ordinary Shares into which such Preferred Shares could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Ordinary Shares, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting in accordance with these Articles, and shall be entitled to vote, together with holders of Ordinary Shares, with respect to any question upon which holders of Ordinary Shares have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as converted basis (after aggregating all Ordinary Shares into which the Preferred Shares held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

3.5 **Redemption**.

(a) Without prejudice to the conversion rights attaching thereto, the Preferred Shares shall not be redeemable at the option of the holder or holders thereof except as expressly provided in this Article 3.5.

(b) The Company shall be obligated to redeem the Series B Preferred Shares as follows:

(i) On or following the date of the seven (7) year anniversary of the Series A Initial Closing Date (the "**Redemption Start Date**"), each holder of then outstanding Series B Preferred Shares, may require the Company, to the extent it may lawfully do so, to redeem all of the outstanding Series B Preferred Shares held by such holder if, as of the date on which the request for redemption is given by such holder, the Company has failed to consummate: (x) a Qualified IPO; (y) a Liquidation Event (including, for avoidance of doubt, any deemed Liquidation Event as set forth in Article 3.2(c) hereof) with net proceeds to the Company or its shareholders of not less than US$400,000,000; or (z) one or more Subsidiary Trade Sale(s) with aggregate net proceeds to such subsidiary(ies) or its shareholder(s) of not less than US$200,000,000; *provided,* that the Company shall receive written notice of such election of such holder of then outstanding Series B Preferred Shares (the "**Series B Redemption Election Notice**") at least sixty (60) days prior to the date on which such redemption is to occur (such date, the "**Series B Redemption Date**"). The foregoing right to request redemption of the Series B Preferred Shares hereunder, for clarity, may not be exercised if any of the events described in (x)-(z) in this Article 3.5(b)(i) have occurred by the Redemption Start Date. The price at which each Series B Preferred Share shall be redeemed hereunder shall be US$4.0483 (as adjusted for any share Dividends, combinations, reclassifications or splits with respect to such Shares), plus all declared by unpaid Dividends thereon (the "**Series B Redemption Price**").

(ii) At least thirty (30) days but no more than sixty (60) days prior to the Series B Redemption Date, the Company shall send a notice (the "**Series B Redemption Notice**") to all holders of record of Series B Preferred Shares (including non-electing holders) stating the existence of Series B Redemption Election Notice, the Series B Redemption Price, the Series B Redemption Date, the other mechanics of redemption and notifying any non-electing holders of their right to participate in such redemption.

(iii) On the Series B Redemption Date, the Company shall effect the redemption of all outstanding Series B Preferred Shares requested to be redeemed by paying the Series B Redemption Price in cash in exchange for each such Series B Preferred Share; *provided*, *however*, that if on the Series B Redemption Date the Company does not have sufficient funds legally available to redeem all Series B Preferred Shares to be redeemed at the Series B Redemption Date, then it shall so notify such holders and shall redeem such Series B Preferred Shares on a *pari passu* basis among such holders pro rata (based on the portion of the aggregate Series B Redemption Price payable to such holders) to the extent possible, and shall redeem the remaining Series B Preferred Shares to be redeemed as soon as sufficient funds are legally available.

(iv) On the Series B Redemption Date, each holder of Series B Preferred Shares shall surrender such holder's certificates representing such shares (or, if such holder alleges that any such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate) to the Company in the manner and at the place designated in the Series B Redemption Notice, and thereupon the Series B Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. From and after the Series B Redemption Date, unless there shall have been a default in payment of the applicable Series B Redemption Price or the Company is unable to pay the Series B Redemption Price due to not having sufficient legally available funds, all rights of the holder of such shares as holder of Series B Preferred Shares (except the right to receive the Series B Redemption Price without interest upon surrender of their certificates), shall cease and terminate with respect to such shares; provided that in the event that Series B Preferred Shares are not redeemed due to a default in payment by the Company or because the Company does not have sufficient legally available funds, such Series B Preferred Shares shall remain outstanding and shall be entitled to all of the rights and preferences provided herein until redeemed.

(v) In the event of a call for redemption of any Series B Preferred Shares, the conversion rights in Article 3.3 for such Series B Preferred Shares shall terminate as to the shares designated for redemption at the close of business on the Series B Redemption Date, unless default is made in payment of the Series B Redemption Price.

(c) Subject to Article 3.5(e), the Company shall be obligated to redeem the Series A+ Preferred Shares as follows:

(i) On or following the Redemption Start Date, each holder of then outstanding Series A+ Preferred Shares, may require the Company, to the extent it may lawfully do so, to redeem all of the outstanding Series A+ Preferred Shares held by such holder if, as of the date on which the request for redemption is given by such holder, the Company has failed to consummate: (x) a Qualified IPO; (y) a Liquidation Event (including, for avoidance of doubt, any deemed Liquidation Event as set forth in Article 3.2(c) hereof) with net proceeds to the Company or its shareholders of not less than US$300,000,000; or (z) one or more Subsidiary Trade Sale(s) with aggregate net proceeds to such subsidiary(ies) or its shareholder(s) of not less than US$100,000,000; *provided* that the Company shall receive written notice of such election of such holder of then outstanding Series A+ Preferred Shares (the "**Series A+ Redemption Election Notice**") at least sixty (60) days prior to the date on which such redemption is to occur (such date, the "**Series A+ Redemption Date**"). The foregoing right to request redemption of the Series A+ Preferred Shares hereunder, for clarity, may not be exercised if any of the events described in (x)-(z) in this Article 3.5(c)(i) have occurred by the Redemption Start Date. The price at which each Series A+ Preferred Share shall be redeemed hereunder shall be US$2.0313 (as adjusted for any share Dividends, combinations, reclassifications or splits with respect to such Shares), plus all declared by unpaid Dividends thereon (the "**Series A+ Redemption Price**").

(ii) At least thirty (30) days but no more than sixty (60) days prior to the Series A+ Redemption Date, the Company shall send a notice (the "**Series A+ Redemption Notice**") to all holders of record of Preferred Shares (including non-electing holders) stating the existence of the Series A+ Redemption Election Notice, the Series A+ Redemption Price, the Series A+ Redemption Date, the other mechanics of redemption and notifying any non-electing holders who are entitled to participate pursuant to these Articles of their right to participate in such redemption.

(iii) On the Series A+ Redemption Date, the Company shall effect the redemption of all outstanding Series A+ Preferred Shares requested to be redeemed by paying the Series A+ Redemption Price in cash in exchange for each such Series A+ Preferred Share; *provided*, *however*, that if on the Series A+ Redemption Date the Company does not have sufficient funds legally available to redeem all Series A+ Preferred Shares to be redeemed at the Series A+ Redemption Date, then it shall so notify such holders and shall redeem such Series A+ Preferred Shares on a *pari passu* basis among such holders pro rata (based on the portion of the aggregate Series A+ Redemption Price payable to such holders) to the extent possible, and shall redeem the remaining Series A+ Preferred Shares to be redeemed as soon as sufficient funds are legally available.

(iv) On the Series A+ Redemption Date, each holder of Series A+ Preferred Shares shall surrender such holder's certificates representing such shares (or, if such holder alleges that any such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate) to the Company in the manner and at the place designated in the Series A+ Redemption Notice, and thereupon the Series A+ Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. From and after the Series A+ Redemption Date, unless there shall have been a default in payment of the applicable Series A+ Redemption Price or the Company is unable to pay the Series A+ Redemption Price due to not having sufficient legally available funds, all rights of the holder of such shares as holder of Series A+ Preferred Shares (except the right to receive the Series A+ Redemption Price without interest upon surrender of their certificates), shall cease and terminate with respect to such shares; provided that in the event that Series A+ Preferred Shares are not redeemed due to a default in payment by the Company or because the Company does not have sufficient legally available funds, such Series A+ Preferred Shares shall remain outstanding and shall be entitled to all of the rights and preferences provided herein until redeemed.

(v) In the event of a call for redemption of any Series A+ Preferred Shares, the conversion rights in Article 3.3 for such Series A+ Preferred Shares shall terminate as to the shares designated for redemption at the close of business on the Series A+ Redemption Date, unless default is made in payment of the Series A+ Redemption Price.

(d) Subject to Article 3.5(e) and Article 3.5(f), the Company shall be obligated to redeem the Series A Preferred Shares as follows:

(i) On or following the Redemption Start Date, each holder of then outstanding Series A Preferred Shares, may require the Company, to the extent it may lawfully do so, to redeem all of the outstanding Series A Preferred Shares held by such holder if, as of the date on which the request for redemption is given by such holder, the Company has failed to consummate: (x) a Qualified IPO; (y) a Liquidation Event (including, for avoidance of doubt, any deemed Liquidation Event as set forth in Article 3.2(c) hereof) with net proceeds to the Company or its shareholders of not less than US$60,000,000; or (z) one or more Subsidiary Trade Sale(s) with aggregate net proceeds to such subsidiary(ies) or its shareholder(s) of not less than US$60,000,000; *provided* that the Company shall receive written notice of such election of such holder of then outstanding Series A Preferred Shares (the "**Series A Redemption Election Notice**") at least sixty (60) days prior to the date on which such redemption is to occur (such date, the "**Series A Redemption Date**"). The foregoing right to request redemption of the Series A Preferred Shares hereunder, for clarity, may not be exercised if any of the events described in (x)-(z) in this Article 3.5(d)(i) have occurred by the Redemption Start Date. The price at which each Series A Preferred Share shall be redeemed hereunder shall be US$1.6667 (as adjusted for any share Dividends, combinations, reclassifications or splits with respect to such Shares), plus all declared by unpaid Dividends thereon (the "**Series A Redemption Price**").

(ii) At least thirty (30) days but no more than sixty (60) days prior to the Series A Redemption Date, the Company shall send a notice (the "**Series A Redemption Notice**") to all holders of record of Preferred Shares (including non-electing holders) stating the existence of the Series A Redemption Election Notice, the Series A Redemption Price, the Series A Redemption Date, the other mechanics of redemption and notifying any non-electing holders of their right to participate in such redemption.

(iii) On the Series A Redemption Date, the Company shall effect the redemption of all outstanding Series A Preferred Shares requested to be redeemed by paying the Series A Redemption Price in cash in exchange for each such Series A Preferred Share; *provided*, *however*, that if on the Series A Redemption Date the Company does not have sufficient funds legally available to redeem all Series A Preferred Shares to be redeemed at the Series A Redemption Date, then it shall so notify such holders and shall redeem such Series A Preferred Shares on a *pari passu* basis among such holders pro rata (based on the portion of the aggregate Series A Redemption Price payable to such holders) to the extent possible, and shall redeem the remaining Series A Preferred Shares to be redeemed as soon as sufficient funds are legally available.

(iv) On the Series A Redemption Date, each holder of Series A Preferred Shares shall surrender such holder's certificates representing such shares (or, if such holder alleges that any such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate) to the Company in the manner and at the place designated in the Series A Redemption Notice, and thereupon the Series A Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. From and after the Series A Redemption Date, unless there shall have been a default in payment of the applicable Series A Redemption Price or the Company is unable to pay the Series A Redemption Price due to not having sufficient legally available funds, all rights of the holder of such shares as holder of Series A Preferred Shares (except the right to receive the Series A Redemption Price without interest upon surrender of their certificates), shall cease and terminate with respect to such shares; provided that in the event that Series A Preferred Shares are not redeemed due to a default in payment by the Company or because the Company does not have sufficient legally available funds, such Series A Preferred Shares shall remain outstanding and shall be entitled to all of the rights and preferences provided herein until redeemed.

(v) In the event of a call for redemption of any Series A Preferred Shares, the conversion rights in Article 3.3 for such Series A Preferred Shares shall terminate as to the shares designated for redemption at the close of business on the Series A Redemption Date, unless default is made in payment of the Series A Redemption Price.

(e) The Series B Preferred Shares shall rank senior to the Series A/A+ Preferred Shares in right of payment with respect to the redemption of such shares. Notwithstanding anything in Article 3.5(b), Article 3.5(c) or Article 3.5(d) to the contrary, if the Company shall have received a redemption request from any holder of Preferred Shares pursuant to Article 3.5(b), Article 3.5(c) or Article 3.5(d), it shall not redeem any Series A/A+ Preferred Shares until all of the Series B Preferred Shares outstanding (excluding any Series B Preferred Shares which the holder thereof elects not to be redeemed pursuant to this Article 3.5) have been redeemed by the Company.

(f) The Series A+ Preferred Shares and the Series A Preferred Shares shall rank junior to the Series B Preferred Shares in right of payment with respect to the redemption of Series A Preferred Shares and Series A+ Preferred Shares. The Series A+ Preferred Shares and the Series A Preferred Shares shall rank *pari passu* among such shares in right of payment with respect to the redemption of such shares. Notwithstanding anything in Article 3.5(c) or Article 3.5(d) to the contrary, if the Company shall have received a redemption request in respect of Series A+ Preferred Shares pursuant to Article 3.5(c) and a redemption request in respect of Series A Preferred Shares pursuant to Article 3.5(d) but does not have sufficient funds legally available (after redemption in full, in accordance with Article 3.5(e) hereof, of all Series B Preferred Shares) to redeem all Series A+ Preferred Shares and/or Series A Preferred Shares to be redeemed at the applicable Redemption Date, then it shall so notify such holders and shall redeem such Series A+ Preferred shares and Series A Preferred Shares on a *pari passu* basis among such holders pro rata (based on the portion of the aggregate Redemption Price payable to such holders) to the extent possible, and shall redeem the remaining Series A+ Preferred Shares and Series A Preferred Shares to be redeemed as soon as sufficient funds are legally available.

3.6 Protective Provisions.

(a) So long as any Preferred Shares are outstanding, the Company shall not take any of the following actions, whether by merger, amalgamation, consolidation, other business combinations, scheme of arrangement, amendment or otherwise, without first obtaining the approval (by vote or written consent) of the Preferred Majority; *provided*, *however*, that if any actions of the Company with a consequence of amending, altering or affecting any series of Preferred Shares, or the rights, preferences and privileges of such series of Preferred Shares, in a disproportionate and adverse manner than the effect of such actions on any other series Preferred Shares, written consent of the holders of a majority of such series of Preferred Shares so disproportionately and adversely amended, altered or affected, shall be obtained:

(i) liquidate, dissolve or wind-up the affairs of the Company or any subsidiary of the Company, or effect any merger, consolidation or Liquidation Event (including, for avoidance of doubt, any deemed Liquidation Event as set forth in Article 3.2(c) hereof) of the Company or any subsidiary of the Company;

(ii) amend, alter, or repeal any provision of the Memorandum or these Articles in a manner adverse to the Preferred Shares;

(iii) create, or authorize the creation of, or issue any other security convertible into or exercisable for any equity security having rights, preferences or privileges senior to or on parity with the Preferred Shares, including an increase in the number of authorized Preferred Shares (excluding any issuance of Preferred Shares pursuant to the terms of the Series B Purchase Agreement);

(iv) issue any equity security, or any security convertible into or exercisable for any equity security, having rights, preferences or privileges junior to the Preferred Shares, in each case, other than Exempted Securities or any other issuance approved by the Board, including the affirmative vote of all Preferred Directors;

(v) purchase or redeem any Shares (other than (A) the repurchase of any Ordinary Shares, Options or Convertible Securities from employees, officers, Directors, consultants or other persons who performed services for the Company pursuant to agreements under which the Company has the option to repurchase such Shares at the lower of the original purchase price of such securities and the then- current fair market value thereof upon termination of employment or services, as applicable, or (B) redemptions of Preferred Shares pursuant to Article 3.5 hereof), or pay any Dividend on any Shares (other than Dividends made in accordance with Article 3.1 hereof), in each case, prior to the Preferred Shares; or

(vi) increase or decrease the authorised number of the Directors.

(b) So long as any Series B Preferred Shares are outstanding, the Company shall not take any of the following actions, whether by merger, amalgamation, consolidation, other business combinations, scheme of arrangement, amendment or otherwise, without first obtaining the approval (by vote or written consent) of the Series B Majority; *provided*, *however*, that this Article 3.6(b) shall not apply to any actions taken in connection with an initial public offering of the Company, a Liquidation Event (including, for avoidance of doubt, any deemed Liquidation Event as set forth in Article 3.2(c) hereof), or a bona fide financing of the Company that does not affect the rights, preferences and privileges of the Series B Preferred Shares in a disproportionate and adverse manner than the effect of such actions on any other series Preferred Shares:

(i) amend, alter, or repeal any provision of the Memorandum or these Articles in a manner adverse to the rights, preferences and privileges of the Series B Preferred Shares; or

(ii) increase the authorized number of Series B Preferred Shares.

(c) So long as the holders of Series A Preferred Shares, the holders of Series A+ Preferred Shares and the holders of Series B Preferred Shares are entitled to elect any Series A Director, any Series A+ Director and any Series B Director, respectively, the Company shall not, without approval of the Board, which approval must include the affirmative vote of the Requisite Preferred Directors:

(i) issue debt securities if the Company's aggregate indebtedness after such issuance would exceed US$2,500,000;

(ii) make any acquisition of or investment in (whether by merger, consolidation or otherwise) any other person or entity that is not a wholly owned subsidiary;

(iii) create any new subsidiary, or sell, transfer or otherwise dispose of (including without limitation by the issuance of new securities in a subsidiary or rights to such an issuance) any equity interest of any direct or indirect subsidiary of the Company, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or a series of related transactions) of all or substantially all of the assets of such subsidiary;

(iv) appoint the Chief Financial Officer of the Company;

(v) materially change the compensation of the Company's senior management;

(vi) amend, terminate or make any equity grant under the Company's equity incentive plan adopted by the Board;

(vii) appoint or change the Auditors of the Company;

(viii) approve the annual budget of the Company (or any significant change relating thereto);

(ix) select the listing venue of the Company's securities in any public offering; or

(x) sell, assign, out-license, pledge, or encumber material technology or intellectual property controlled by the Company or any of its subsidiaries, other than licenses granted in the ordinary course of business.

3.7 **Waiver**. Any of the rights, powers, preferences or privileges of the Series A Preferred Shares (but not, for avoidance of doubt, the limitations or qualifications applicable thereto) set forth herein may be waived on behalf of all holders of Series A Preferred Shares by the affirmative written consent or vote of the holders of a majority of the outstanding Series A Preferred Shares, voting as a separate class. Any of the rights, powers, preferences or privileges of the Series A+ Preferred Shares (but not, for avoidance of doubt, the limitations or qualifications applicable thereto) set forth herein may be waived on behalf of all holders of Series A+ Preferred Shares by the affirmative written consent or vote of the holders of a majority of the outstanding Series A+ Preferred Shares, voting as a separate class. Any of the rights, powers, preferences or privileges of the Series B Preferred Shares (but not, for avoidance of doubt, the limitations or qualifications applicable thereto) set forth herein may be waived on behalf of all holders of Series B Preferred Shares by the affirmative written consent or vote of the Series B Majority. Subject to Article 3.6, any of the rights, powers, preferences or privileges set forth herein granted to the holders of the Preferred Shares as a single class (but not, for avoidance of doubt, the limitations or qualifications applicable thereto) may be waived on behalf of all holders of Preferred Shares by the affirmative written consent or vote of the Preferred Majority.

4. **Ordinary Shares**.

Certain rights, preferences, privileges and limitations of the Ordinary Shares are as follows:

4.1 **Dividend Provision**. Subject to the preferential rights of holders of all series of Shares in the Company at the time outstanding having preferential rights as to Dividends, the holders of the Ordinary Shares shall, subject to the Law and these Articles, be entitled to receive, when, as and if declared by the Directors, out of any assets of the Company legally available therefor, such Dividends as may be declared from time to time by the Directors.

4.2 **Liquidation**. Upon a Liquidation Event, the assets of the Company shall be distributed as provided in Article 3.2 hereof.

4.3 **Voting Rights**. The holder of each Ordinary Share shall have the right to one (1) vote and shall be entitled to notice of any shareholders' meeting in accordance with these Articles, and shall be entitled to vote upon such matters and in such manner as may be provided for in these Articles.

4.4 **Right of First Refusal**. The Company is hereby unconditionally and irrevocably granted rights of first refusal pursuant to that certain Second Amended and Restated Right of First Refusal and Co-Sale Agreement dated on or about the date of adoption of these Articles, by and among the Company and the other parties named therein, as such may be amended and/or restated from time to time.

5. **Redemption and Purchase of Shares**.

5.1 Subject to the Law and Article 3 hereof, the Company is authorised to issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Member.

5.2 The Company is hereby authorised to make payments in respect of the redemption or purchase of its Shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Law.

5.3 The redemption price of a redeemable Share, or the method of calculation thereof, shall be fixed by the Directors at or before the time of issue.

5.4 Subject to the Law, the Company may purchase any Ordinary Share (including a redeemable Share) registered in the name of a person who is an employee, officer, Director, consultant, advisor, supplier or representative of the Company and who has acquired such Ordinary Shares pursuant to an agreement entered into by the Company with such holder that allows for the repurchase by the Company at the lower of the original purchase price of such securities and the then-current fair market value thereof upon termination of employment or services, as applicable, and upon such repurchase such Ordinary Shares shall be cancelled, it being expressly recognised that the foregoing constitutes the authorization of the manner of purchase of the Share in accordance with the Law. The Company may also purchase any Ordinary Share in accordance with the terms of that certain Second Amended and Restated Right of First Refusal and Co-Sale Agreement dated on or about the date of adoption of these Articles.

5.5 The redemption price may be paid in any manner authorised by these Articles for the payment of Dividends, including out of capital.

5.6 Subject to Article 3 hereof, a delay in payment of the redemption price shall not affect the redemption but, in the case of a delay of more than thirty (30) days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by Class A banks in the Cayman Islands for thirty (30) day deposits in the same currency.

5.7 Subject to Article 3 hereof, the Directors may exercise as they think fit the powers conferred on the Company by Section 37(5) of the Law (payment out of capital) but only if and to the extent that the redemption could not otherwise be made (or not without making a fresh issue of Shares for this purpose).

5.8 Subject as aforesaid, the Directors may determine, as they think fit, all questions that may arise concerning the manner in which the redemption of the Shares shall or may be effected.

5.9 As provided by the Law, no Share may be redeemed or purchased by the Company unless it is fully paid-up.

6. Rights Attaching to Shares

Subject to Articles 3 and 4 hereof, the Memorandum and any resolution of the Members to the contrary and without prejudice to any special rights previously conferred thereby on the holders of any other Shares or class or series of Shares, the holders of Shares of the Company shall:

(a) be entitled to one (1) vote per Share;

(b) be entitled to Dividends as the Board may from time to time declare;

(c) in the event of a liquidation, winding up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and

(d) generally be entitled to enjoy all of the rights applicable to that certain class or series of Shares.

7. Calls on Shares

7.1 The Board may make such calls as it thinks fit upon the Members in respect of any monies (whether in respect of nominal value or premium) unpaid on the Shares allotted to or held by such Members and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

7.2 The Company may accept from any Member the whole or a part of the amount remaining unpaid on any Shares held by him, although no part of that amount has been called up.

7.3 The Company may make arrangements on the issue of Shares for a difference between the Members in the amounts and times of payments of calls on their Shares.

8. Joint and Several Liability to Pay Calls

The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

9. Forfeiture of Shares

9.1 If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any Share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

Notice of Liability to Forfeiture for Non-Payment of Call
ShouTi Inc. (the "Company")

You have failed to pay the call of [amount of call] made on the [ ] day of [ ], 20[ ], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on the [ ] day of [ ], 20[ ], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [ ] per annum computed from the said [ ] day of [ ], 20[ ] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [ ] day of [ ], 20[ ]

_____

[Signature of Secretary] By Order of the Board

9.2 If the requirements of such notice are not complied with, any such Share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such Share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Articles and the Law.

9.3 A Member whose Share or Shares have been forfeited as aforesaid shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such Share or Shares at the time of the forfeiture and all interest due thereon.

9.4 The Board may accept the surrender of any Shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered Share shall be treated as if it had been forfeited.

10. Share Certificates

10.1 Every Member shall be entitled to a certificate under the Seal (if any) or a facsimile thereof of the Company or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of Shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such Shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

10.2 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

10.3 Share certificates may not be issued in bearer form.

REGISTRATION OF SHARES

11. Register of Members

The Board shall cause to be kept in one or more books a Register of Members which may be kept outside the Cayman Islands at such place as the Directors shall appoint and shall enter therein the following particulars:

(a) the name and address of each Member, the number, and the class of Shares held by such Member and the amount paid or agreed to be considered as paid on such Shares;

(b) the date on which each person was entered in the Register of Members; and

(c) the date on which any person ceased to be a Member.

12. Registered Holder Absolute Owner

12.1 The Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such Share on the part of any other person.

12.2 No person shall be entitled to recognition by the Company as holding any Share upon any trust and the Company shall not 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 any other right in respect of any Share except an absolute right to the entirety of the Share in the holder. If, notwithstanding this Article 12.2, notice of any trust is at the holder's request entered in the Register of Members or on a share certificate in respect of a Share, then, except as aforesaid:

(a) such notice shall be deemed to be solely for the holder's convenience;

(b) the Company shall not be required in any way to recognise any beneficiary, or the beneficiary, of the trust as having an interest in the Share or Shares concerned;

(c) the Company shall not be concerned with the trust in any way, as to the identity or powers of the trustees, the validity, purposes or terms of the trust, the question of whether anything done in relation to the Shares may amount to a breach of trust or otherwise; and

(d) the holder shall keep the Company fully indemnified against any liability or expense which may be incurred or suffered as a direct or indirect consequence of the Company entering notice of the trust in the Register of Members or on a share certificate and continuing to recognise the holder as having an absolute right to the entirety of the Share or Shares concerned.

13. Transfer of Registered Shares

13.1 Subject to Article 4.4 hereof, an instrument of transfer shall be in writing in the form of the following, or as near thereto as circumstances admit, or in such other form as the Board may accept:

Transfer of a Share or Shares
ShouTi Inc. (the "Company")

FOR VALUE RECEIVED_____ [amount], I, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] of shares of the Company.

DATED this [ ] day of [ ], 20[ ]

Signed by:	In the presence of:
Transferor	Witness
Transferee	Witness

13.2 Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid Share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such Share until the same has been transferred to the transferee in the Register of Members.

13.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the Shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer. The Board may refuse to recognize any transfer to a party who the Board determines is a competitor of the Company or its subsidiaries or for such other reasonable reasons as the Board may determine.

13.4 The joint holders of any Share may transfer such Share to one or more of such joint holders, and the surviving holder or holders of any Share previously held by them jointly with a deceased Member may transfer any such Share to the executors or administrators of such deceased Member.

13.5 Notwithstanding any other provisions of these Articles or the terms of any agreement to which a shareholder is a party, no shareholder shall transfer any Shares without the prior written consent of the Board if (a) such transfer would cause the Company to be classified as an association taxable as a C corporation for United States federal income tax purposes, (b) such transfer of Shares would constitute a transaction effected through an "established securities market" within the meaning of the United States Treasury Regulations promulgated under Section 7704 of the Code or otherwise would cause the Company to be a "publicly traded partnership" within the meaning of Section 7704 of the Code, or (c) such transfer would cause there to be more than one hundred (100) shareholders of the Company (as determined under the Treasury Regulations promulgated under Section 7704 of the Code).

14. Transmission of Registered Shares

14.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the Shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by such deceased Member with other persons. Subject to the provisions of Section 39 of the Law, for the purpose of this Article 14.1, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the Shares of a deceased Member.

14.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such Share, and in such case the person becoming entitled to such Share shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member
ShouTi Inc. (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [ ] day of [ ], 20[ ]

Signed by:	In the presence of:
Transferor	Witness
Transferee	Witness

14.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the Share by that Member before such Member's death or bankruptcy, as the case may be.

14.4 Where two or more persons are registered as joint holders of a Share or Shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said Share or Shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

15. Power to Alter Capital

15.1 Subject to the Law and these Articles, including Article 3.6 hereof, the Company may from time to time by Ordinary Resolution:

(a) increase its share capital by such sum divided into Shares of such amounts as the resolution shall prescribe;

(b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

(c) convert all or any of its paid-up Shares into stock, and reconvert that stock into paid-up Shares of any denomination;

(d) subdivide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum; or

(e) cancel Shares which 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 authorised share capital by the amount of the Shares so cancelled.

15.2 Subject to the Law and these Articles, including Articles 3.6 hereof, the Company may from time to time by Special Resolution reduce its share capital.

16. Variation of Rights Attaching to Shares

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights 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 senior thereto or pari passu therewith. The provisions of these Articles relating to general meetings shall apply to, to the extent applicable, every class meeting of the holders of one class of Shares except the necessary quorum shall be one or more persons holding or representing by proxy a majority of the issued Shares of the class and any holder of Shares of the class present in person or by proxy may demand a poll. Subject to these Articles, if, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the written consent of the holders of at least a majority of the issued shares of that class.

DIVIDENDS AND CAPITALISATION

17. Dividends

17.1 The Board may, subject to these Articles and any direction of the Company in general meeting, declare a Dividend to be paid on Shares in issue pursuant to Articles 3.1 and 4.1 hereof, and such Dividend may be paid in cash or wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) legally available therefor.

17.2 All Dividends and distributions shall be declared and paid according to the provisions of Articles 3 and 4 hereof.

17.3 Where the Directors determine that a Dividend shall be paid wholly or partly by the distribution of specific assets, the Directors may settle all questions concerning the value of such distribution in accordance with the provisions of Article 3.2(d) hereof.

17.4 Subject to Articles 3 and 4 hereof, Dividends may be declared and paid out of profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, or not in the same amount. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law.

17.5 No unpaid Dividend shall bear interest as against the Company.

17.6 Subject to Articles 3 and 4 hereof, the Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

17.7 Subject to Article 3.3(h) hereof, the Board may fix any date as the record date for determining the Members entitled to receive any Dividend or other distribution, but, unless so fixed, the record date shall be the date of the Directors' resolution declaring same.

18. Power to Set Aside Profits

18.1 The Board may, before declaring a Dividend, set aside out of the surplus or profits of the Company, such sum as it thinks proper as a reserve to be used to meet contingencies or for equalising Dividends or for any other purpose. Pending application, such sums may be employed in the business of the Company or invested, and need not be kept separate from other assets of the Company. The Directors may also, without placing the same to reserve, carry forward any profit which they decide not to distribute.

18.2 Subject to any direction from the Company in general meeting, the Directors may on behalf of the Company exercise all the powers and options conferred on the Company by the Law in regard to the Company's share premium account.

19. Method of Payment

19.1 Any Dividend, interest, or other monies payable in cash in respect of the Shares may be paid by wire transfer or by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.

19.2 In the case of joint holders of Shares, any Dividend, interest or other monies payable in cash in respect of Shares may be paid by wire transfer or by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any Shares any one can give an effectual receipt for any Dividend paid in respect of such Shares.

19.3 The Board may deduct from the Dividends or distributions payable to any Member all monies due from such Member to the Company on account of calls or otherwise.

19.4 The Company shall, to the extent required under applicable tax law, at all times be entitled to make payments with respect to any of the Company's shareholders in amounts required to discharge any obligation of the Company to withhold from a distribution or make payments to any governmental authority with respect to any foreign or United States federal, state or local tax liability of such shareholder arising as a result of such shareholder's interest in the Company (a "**Withholding Payment**"); provided, that the Company shall notify any holder of Preferred Shares prior to deducting and withholding from any amounts otherwise payable to such holder of Preferred Shares and shall cooperate with the holder of Preferred Shares in seeking to reduce or eliminate any such deduction or withholding. Any Withholding Payment made from funds withheld from a distribution will be treated as distributed to such shareholder for all purposes of these Articles. Any "imputed underpayment" within the meaning of Code Section 6225 or similar provisions of state or local law paid by the Company as a result of an adjustment with respect to any Company item, including any interest or penalties with respect to any such adjustment (collectively, an "**Imputed Underpayment Amount**"), shall be treated as if it were paid by the Company as a Withholding Payment with respect to the appropriate shareholder(s). The Board shall reasonably determine in good faith the portion of an Imputed Underpayment Amount attributable to each shareholder or former shareholder. The portion of the Imputed Underpayment Amount that the Board attributes to a former shareholder of the Company shall be treated as a Withholding Payment with respect to both such former shareholder and such former shareholder's transferee(s) or assignee(s), as applicable.

20. Capitalisation

20.1 The Board may resolve to capitalise any sum for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued Shares to be allotted as fully paid bonus Shares pro rata to the Members.

20.2 The Board may resolve to capitalise any sum for the time being standing to the credit of a reserve account or sums otherwise available for Dividend or distribution by applying such amounts in paying up in full partly paid or nil paid Shares of those Members who would have been entitled to such sums if they were distributed by way of Dividend or distribution.

MEETINGS OF MEMBERS

21. Annual General Meetings

The Company may (but shall not be obliged to) in each year hold a general meeting as its annual general meeting. The annual general meeting of the Company may be held at such time and place as the Chairman shall appoint.

22. Extraordinary General Meetings

22.1 General meetings other than annual general meetings shall be called extraordinary general meetings.

22.2 The Chairman or any two (2) Directors or the Secretary or the Company may convene an extraordinary general meeting of the Company whenever in their judgment such a meeting is necessary.

23. Requisitioned General Meetings

23.1 The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than a majority of the aggregate voting power of all of the Shares (on an as-converted basis) of the Company entitled to attend and vote at general meetings of the Company, forthwith proceed to convene an extraordinary general meeting of the Company. To be effective, the requisition shall state the objects of the meeting, shall be in writing, signed by the requisitionists, and shall be deposited at the Registered Office. The requisition may consist of several documents in like form each signed by one or more requisitionists.

23.2 If the Directors do not within twenty-one (21) days from the date of the requisition duly proceed to call an extraordinary general meeting, the requisitionists, or any of them representing more than one half (1/2) of the total voting rights of all of them, may themselves convene an extraordinary general meeting; but any meeting so called shall not be held more than ninety (90) days after the expiration of the above twenty-one (21) day period. An extraordinary general meeting called by requisitionists shall be called in the same manner, as nearly as possible, as that in which general meetings are to be called by the Directors.

24. Notice

24.1 Except as otherwise provided in Article 3.3(h) hereof, at least five (5) days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and, if different, the record date for determining Members entitled to attend and vote at the general meeting, and, as far as practicable, the other business to be conducted at the meeting.

24.2 Except as otherwise provided in Article 3.3(h) hereof, at least three (3) days' notice of an extraordinary general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held and the general nature of the business to be considered at the meeting, unless such notice is waived either before, at or after such meeting by the Members (or their proxies) holding a majority of the aggregate voting power of all of the Shares (on an as-converted basis) of the Company entitled to attend and vote thereat.

24.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting of the Company but, unless so fixed, as regards the entitlement to receive notice of a meeting or notice of any other matter, the record date shall be the date of dispatch of the notice and, as regards the entitlement to vote at a meeting, and any adjournment thereof, the record date shall be the date of the original meeting.

24.4 A general meeting of the Company shall, notwithstanding that it is called on shorter notice than that specified in these Articles or whether or not the notice specified in these Articles has been given, be deemed to have been properly called if it is so agreed by the Members (or their proxies) holding a majority of the aggregate voting power of all of the Shares (on an as-converted basis) of the Company entitled to attend and vote thereat.

24.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

25. Giving Notice

25.1 A notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose.

25.2 Any notice required to be given to a Member shall, with respect to any Shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such Shares.

25.3 Any notice required by these Articles to be given to a Member shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means permitted under applicable law to the address of such Member as provided in Article 25.1 above. Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a confirmation of delivery, and to have been effected at the expiration of two days after the letter containing the same is sent as aforesaid. Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid.

26. Postponement of General Meeting

The Board may postpone any general meeting called in accordance with the provisions of these Articles provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each member in accordance with the provisions of these Articles.

27. Participating in Meetings by Telephone

Members may participate in any general meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

28. Quorum at General Meetings

28.1 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. The holders of a majority of the aggregate voting power of all of the Shares (on an as-converted basis) of the Company entitled to notice of and to attend and vote at such general meeting present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative or proxy shall be a quorum. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum and the votes present may continue to transact business until adjournment.

28.2 If within one (1) hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Board may determine. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified.

29. Chairman to Preside

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, shall act as chairman at all meetings of the Members at which such person is present. In his absence a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

30. Voting on Resolutions

30.1 Except as otherwise required by the provisions of the Law and these Articles, the Ordinary Shares and the Preferred Shares shall vote together as a single class on all matters submitted to a vote of Members. Each Ordinary Share issued and outstanding shall have one (1) vote and each Preferred Share issued and outstanding shall have the number of votes equal to the number of Ordinary Shares into which such Preferred Shares are convertible pursuant to Article 3.3 hereof.

30.2 No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all Shares held by such Member.

30.3 At any general meeting, a resolution put to the vote of the meeting shall be voted upon a show of hands unless before or on the declaration of the result of the show of hands a poll is demanded pursuant to Article 31.1 hereof. Unless a poll is demanded, on a show of hands, every Member present in person or by proxy shall have one vote. On a poll and subject to any rights or restrictions for the time being lawfully attached to any class of Shares and subject to the provisions of these Articles, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to the number of votes as provided in Article 30.1 hereof for each Share of which such person is the holder or for which such person holds a proxy.

30.4 At any general meeting if an amendment shall be proposed to any resolution under consideration and the chairman of the meeting shall rule on whether the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

30.5 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has been carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to the provisions of these Articles, be conclusive evidence of that fact.

31. Power to Demand a Vote on a Poll

31.1 Notwithstanding the foregoing, a poll may be demanded by the chairman of a general meeting or any Member entitled to attend and vote at such meeting.

31.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of Shares, every person present at such meeting shall have the number of votes as provided in Article 30.1 hereof for each Share of which such person is the holder or for which such person holds a proxy, and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.

31.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith and a poll demanded on any other question shall be taken in such manner and at such time and place at such meeting as the chairman of the meeting may direct and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

31.4 Where a vote is taken by poll, each person present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. At the conclusion of the poll, the ballot papers shall be examined and counted by a committee of not less than two (2) Members or proxy holders appointed by the chairman of the meeting for the purpose and the result of the poll shall be declared by the chairman of the meeting.

32. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by 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 of Members.

33. Instrument of Proxy

33.1 An instrument appointing a proxy shall be in writing or transmitted by electronic mail in substantially the following form or such other form as the chairman of the meeting shall accept:

Proxy
ShouTi Inc. (the "Company")

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members held on the [ ] day of [ ], 20[ ] and at any adjournment thereof. (Any restrictions on voting to be inserted here.)

Signed this [ ] day of [ ], 20[ ]

_____

Member(s)

33.2 The instrument of proxy shall be signed or, in the case of a transmission by electronic mail, electronically signed in a manner acceptable to the chairman of the meeting, by the appointor or by the appointor's attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or signed or, in the case of a transmission by electronic mail, electronically signed in a manner acceptable to the chairman of the meeting, by a duly authorised officer or attorney. The instrument of proxy shall be deposited (whether physically or by way of facsimile, email or other electronic means) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, no later than the time for holding the meeting or adjourning the meeting. The chairman of the meeting may in any event, at his or her direction, 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.

33.3 A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf.

33.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

33.5 Notwithstanding any other provisions of these Articles, an instrument of proxy may be incorporated within any subscription agreement, voting agreement or other document signed by or on behalf of the Member. In the event that an instrument of proxy is incorporated within any such agreement entered into between the Company and the Member then the above-mentioned provisions as to depositing such instrument of proxy at the Registered Office or elsewhere shall not apply.

34. Representation of Corporate Member

34.1 A corporation or other non-natural person that is a Member may, by written instrument, authorize such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as such corporation or other non-natural person could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

34.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation or other non-natural person that is a Member.

35. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat, in accordance with these Articles.

36. Written Resolutions of Members

36.1 A resolution in writing shall be as valid and effective as if the resolution had been passed at a duly convened and held general meeting of the Company, if it is signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings.

36.2 A resolution in writing may be signed by, or in the case of a Member that is a corporation (whether or not a company within the meaning of the Law) or other non-natural person, on behalf of, all the Members, or all the Members of the relevant class thereof, in as many counterparts as may be necessary.

36.3 For the purposes of this Article 36, the date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation (whether or not a company within the meaning of the Law) or other non-natural person, on behalf of, the last Member to sign and any reference in any Article to the date of passing of a resolution is, in relation to a resolution made in accordance with this Article 36, a reference to such date.

37. Directors Attendance at General Meetings

The Directors of the Company shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

38. Appointment of Directors

The Board shall initially consist of nine (9) Directors. So long as any Series B Preferred Shares are outstanding, the holders of Series B Preferred Shares, voting as a separate class, shall be entitled to elect two (2) Directors (the "**Series B Directors**") at each meeting or pursuant to each consent of the Members for the election of Directors. So long as any Series A+ Preferred Shares are outstanding, the holders of Series A+ Preferred Shares, voting as a separate class, shall be entitled to elect two (2) Directors (the "**Series A+ Directors**") at each meeting or pursuant to each consent of the Members for the election of Directors. So long as any Series A Preferred Shares are outstanding, the holders of Series A Preferred Shares, voting as a separate class, shall be entitled to elect two (2) Directors (the "**Series A Directors**", together with the Series B Directors and the Series A+ Directors, the "**Preferred Directors**") at each meeting or pursuant to each consent of the Members for the election of Directors. The holders of Ordinary Shares (other than any Ordinary Shares issued upon conversion of the Preferred Shares), voting as a separate class, shall be entitled to elect two (2) Directors (the "**Ordinary Directors**") at each meeting or pursuant to each consent of the Members for the election of Directors. The remaining Director(s) (if any) shall be elected by the holders of Ordinary Shares and Preferred Shares, voting together as a single class on an as- converted basis at each meeting or pursuant to each consent of the Members for the election of Directors.

39. Term of Office of Directors

An appointment of a Director may be on terms that the Director shall act in such capacity until and unless vacated pursuant to Article 40 hereof. The Directors may from time to time elect and remove a Chairman and determine the period for which he is to hold office. The Chairman shall preside at all meetings of the Directors, but if there be no Chairman, or if at any meeting the Chairman be not present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of them to be Chairman of the meeting.

40. Vacancy in the Office of Director

The office of Director shall be vacated if the Director:

(a) who shall have been elected by a specified group of Members is removed during his or her term of office, either for or without cause, by, and only by, the affirmative vote of the holders of a majority of the Shares of such specified group, given at a special meeting of such Members duly called or by an action by written consent for that purpose;

(b) dies or becomes bankrupt, or makes any arrangement or composition with his creditors generally;

(c) is or becomes of unsound mind or an order for his detention is made under the Mental Health Act of the Cayman Islands or any analogous law of a jurisdiction outside the Cayman Islands; or

(d) resigns his office by notice in writing to the Company.

Any vacancy in the Board of Directors caused as a result of one or more of the events set out in this Article 40 of any such Director who shall have been elected by a specified group of Members, may be filled by, and only by, the vote of the holders of a majority of the Shares (on an as-converted basis, if applicable) of such specified group given at a special meeting of such Members or by an action by written consent, unless otherwise agreed upon among such Members.

41. Remuneration of Directors

The remuneration (if any) of the Directors shall, subject to any direction that may be given by the Company in a general meeting, be determined by the Directors as they may from time to time determine and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.

42. Defect in Appointment of Director

All acts done in good faith by the Board or by a committee of the Board 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 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.

43. Directors to Manage Business

Subject to the provisions of the Law and these Articles and to any directions given by a Special Resolution, the business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Law or by these Articles, required to be exercised by the Company in general meeting subject, nevertheless, to these Articles, the provisions of the Law and to such directions as may be prescribed by the Company in general meeting.

44. Powers of the Board of Directors

Without limiting the generality of Article 43 hereof, but subject to Articles 3 and 4 hereof, the Board may:

(a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;

(b) subject to Article 3.6(c) hereof, exercise all the powers of the Company to borrow or mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(c) appoint chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

(d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;

(e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;

(f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;

(g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board and every such committee shall conform to such directions as the Board shall impose on them. Subject to any directions or regulations made by the Directors for this purpose, the meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board, including provisions for written resolutions;

(h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit;

(i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;

(j) in connection with the issue of any Share, pay such commission and brokerage as may be permitted by applicable law; and

(k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, document or instrument on behalf of the Company.

In addition, except as otherwise set forth in these Articles, and subject to the terms of any written agreement to which the Company is a party, the Board shall have the power and authority to make all United States tax determinations, elections, and decisions with respect to the Company (including in connection with any tax audit or controversy involving the Company). Items of income, gain, loss, deduction, and credit of the Company shall be allocated solely for United States federal, state, and local income tax purposes among the Company's shareholders in accordance with Article 65.

45. Register of Directors and Officers

45.1 The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers in accordance with the Law and shall enter therein the following particulars with respect to each Director and Officer:

(a) first name and surname; and

(b) address.

45.2 The Board shall, within the period of thirty (30) days from the occurrence of:-

(a) any change among its Directors and Officers; or

(b) any change in the particulars contained in the Register of Directors and Officers,

cause to be entered on the Register of Directors and Officers the particulars of such change and the date on which such change occurred, and shall notify the Registrar of Companies of any such change that takes place.

46. Officers

The Officers shall consist of a Secretary and such additional Officers as the Board may determine all of whom shall be deemed to be Officers for the purposes of these Articles.

47. Appointment of Officers

The Secretary (and additional Officers, if any) shall be appointed by the Board from time to time.

48. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

49. Remuneration of Officers

Subject to Article 3.6(c) hereof, the Officers shall receive such remuneration as the Board may determine.

50. Conflicts of Interest

50.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing herein contained shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.

50.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by applicable law.

50.3 Following a declaration being made pursuant to this Article 50, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

50.4 In addition to any further restrictions set forth in these Articles, no person shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested (each, an "**Interested Transaction**") be or 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 realized by any such Interested Transaction by reason of such Director holding office or of the fiduciary relation thereby established, so long as the requirements of Section 144 of the General Company Law of the State of Delaware in the United States of America (as the same shall be amended hereafter from time to time, and as the same is interpreted through applicable case law) are satisfied with respect to such Interested Transaction as if the Company were a corporation organized under the laws of the State of Delaware and subject to such Section 144.

51. Indemnification and Exculpation of Directors and Officers

51.1 To the maximum extent permitted by applicable law, the Directors, Officers and Auditors of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and every former director, officer, auditor or trustee and their respective heirs, executors, administrators, and personal representatives (each of which persons being referred to in this Article 51 as an "**indemnified party**") shall be indemnified and held harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company, provided that such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer.

51.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer of the Company against any liability incurred by him in his capacity as a Director or Officer of the Company or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

51.3 The indemnification and advancement of expenses provided by or granted under these Articles are not exclusive of any other rights to which the person seeking indemnification or advancement of expenses may be entitled under any agreement, resolution of Members, resolution of disinterested Directors or otherwise, both as to acting in the person's official capacity and as to acting in another capacity while serving as a Director or Officer of the Company.

MEETINGS OF THE BOARD OF DIRECTORS

52. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

53. Notice of Board Meetings

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (in person or by telephone) or otherwise communicated or sent to such Director by post, cable, facsimile, electronic mail or other mode of representing words in a legible form at such Director's last known address or any other address given by such Director to the Company for this purpose.

54. Participation in Meetings by Telephone

Directors may participate in any meeting of the Board by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

55. Quorum at Board Meetings

At all meetings of the Board a majority of the number of Directors elected in accordance with Article 38 hereof (which majority shall include at least one Preferred Director) shall be necessary and sufficient to constitute a quorum for the transaction of business, and the vote of a majority of the Directors present at any meeting at which there is a quorum, shall be the act of the Board, except as may be otherwise specifically provided in the Law, the Memorandum or these Articles. If within half an hour from the time appointed for any meeting of the Board a quorum in not present, the Directors present thereat may adjourn the meeting to the same day in the next week at the same time and place or to such other time or such other place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Directors present shall constitute a quorum.

56. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number.

57. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the Chairman shall act as chairman at all meetings of the Board at which such person is present. In his absence a chairman of the meeting shall be appointed or elected by the Directors present at the meeting.

58. Written Resolutions of Directors

58.1 Anything which may be done by resolution of the Directors may, without a meeting and without any previous notice being required, be done by resolution in writing signed by, or in the case of a Director that is a corporation whether or not a company within the meaning of the Law, on behalf of, all the Directors.

58.2 A resolution in writing may be signed by, or in the case of a Director that is a corporation whether or not a company within the meaning of the Law, on behalf of, all the Directors in as many counterparts as may be necessary.

58.3 A resolution in writing made in accordance with this Article is as valid as if it had been passed by the Directors in a directors' meeting, and any reference in any Article to a meeting at which a resolution is passed or to Directors voting in favour of a resolution shall be construed accordingly.

58.4 For the purposes of this Article 58, the date of the resolution is the date when the resolution is signed by, or in the case of a Director that is a corporation whether or not a company within the meaning of the Law, on behalf of, the last Director to sign, and any reference in any Article to the date of passing of a resolution is, in relation to a resolution made in accordance with this Article 58, a reference to such date.

59. Validity of Prior Acts of the Board

No regulation or alteration to these Articles made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

60. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

61. Register of Mortgages and Charges

61.1 The Directors shall cause to be kept the Register of Mortgages and Charges required by the Law.

61.2 The Register of Mortgages and Charges shall be open to inspection in accordance with the Law, at the office of the Company on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each such business day be allowed for inspection.

62. Form and Use of Seal

62.1 The Company may adopt a common seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Cayman; and, if the Directors think fit, a duplicate seal may bear on its face of the name of the country, territory, district or place where it is to be issued.

62.2 The Seal (if any) shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf; and, until otherwise determined by the Directors, the Seal shall be affixed in the presence of a Director or the Secretary or an assistant secretary or some other person authorised for this purpose by the Directors or the committee of Directors.

62.3 Notwithstanding the foregoing, the Seal (if any) may without further authority be affixed by way of authentication to any document required to be filed with the Registrar of Companies in the Cayman Islands, and may be so affixed by any Director, Secretary or assistant secretary of the Company or any other person or institution having authority to file the document as aforesaid.

ACCOUNTS

63. Books of Account

63.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) all assets and liabilities of the Company.

63.2 Such records of account shall be kept and proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept, at such place as the Board thinks fit, such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

63.3 No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company.

64. Financial Year End

The financial year end of the Company shall be 31st December in each year but, subject to any direction of the Company in general meeting, the Board may from time to time prescribe some other period to be the financial year, provided that the Board may not without the sanction of an Ordinary Resolution prescribe or allow any financial year longer than eighteen months.

65. Allocation of Group Income for United States Income Tax Purposes

Notwithstanding any other provision in these Articles, the provisions of this Article 65 apply solely for United States federal, state and local income tax purposes with respect to any taxable periods (or portions thereof) during which the Company is classified as a "partnership" within the meaning of sections 761(a) and 7701(a)(2) of the Code and Treasury Regulations Section 301.7701-3 for United States income tax purposes (and for purposes of any similar or comparable provision of United States state or local law). For clarity, the provisions of this Article 65 shall not apply with respect to any taxable periods (or portions thereof) during which the Company is classified for United States federal income tax purposes as a "corporation" within the meaning of section 7701(a)(3) of the Code and Treasury Regulations Section 301.7701-2(b).

65.1 A separate account (each a "**Capital Account**") shall be established and maintained for each of the Company's shareholders in accordance with the provisions of section 704(b) of the Code and the Treasury Regulations thereunder and this Article 65 shall be interpreted consistently therewith. In accordance with the Treasury Regulations, each of the Company's shareholders shall have a single Capital Account with respect to its ownership interest in the Company, even if such shareholder owns more than once class of Shares or other equity in the Company.

65.2 Net profit or net loss of the Company or, to the extent appropriate, items thereof for any relevant period shall be allocated to the Capital Accounts of the shareholders so as to ensure, to the extent possible, that the Capital Account of each of the Company's shareholders as of the end of such period, is equal to (i) the aggregate distributions that the Company's shareholders would be entitled to receive if all of the assets of the Company were sold for their asset values, the liabilities of the Company were paid in full (limited, with respect to nonrecourse liabilities, to the book values of the assets securing such liabilities) and the remaining proceeds were distributed in accordance with Article 3.2(a), less (ii) the sum of (x) applicable shareholder's share of the "partnership minimum gain" and "partner nonrecourse debt minimum gain" and (y) the amount, if any (without duplication of any amount included under clause (x)), that such shareholder is obligated (or is deemed for United States tax purposes to be obligated) to contribute, in its capacity as a shareholder, to the capital of the Company as of the last day of such period. The allocations made pursuant to this Article 65.2 are intended to comply with the provisions of section 704(b) of the Code and the Treasury Regulations thereunder and, in particular, to reflect the Company's shareholders' economic interests in the Company, and this Article 65.2 shall be interpreted and applied in a manner consistent with such intention.

65.3 If any Company shareholder unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), Section 1.704-1(b)(2)(ii)(d)(5) or Section 1.704-1(b)(2)(ii)(d)(6), items of income and gain shall be specially allocated to each such shareholder in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the deficit balance of such shareholder's Capital Account as quickly as possible. This Section 65.3 is intended to comply with the qualified income offset requirement of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith. This Agreement shall be deemed to include "minimum gain chargeback" and "partner nonrecourse debt minimum gain chargeback" provisions within the meaning of the Treasury Regulations under Section 704(b) of the Code. Accordingly, notwithstanding the first sentence of Section 65.2, items of gross income shall be allocated to the shareholders on a priority basis to the extent and in the manner required by such provisions.

65.4 The allocations set forth in this Section 65.4 (the "**Regulatory Allocations**") are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Company shareholders that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 65.4. Therefore, notwithstanding any other provision of Section 65 (other than the Regulatory Allocations), the Board shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each shareholder's Capital Account balance is, to the extent possible, equal to the Capital Account balance such shareholder would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Section 65.2. In exercising its discretion under this Section 65.4, the Board may take into account future Regulatory Allocations that, although not yet made, are likely to offset other Regulatory Allocations previously made.

65.5 All items of income, gain, losses, deduction and credit shall be allocated for United States federal, state and local income tax purposes so as to reflect, in the judgment of the Board, the allocations of corresponding items for Capital Account purposes under Article 65.2, except to the extent otherwise required by section 704(c) of the Code and the Treasury Regulations promulgated thereunder or as required by Law.

65.6 If during any year of the Company there is a change in any shareholder's ownership interest in the Company, the Board shall confer with the United States tax advisors to the Company and, in conformity with such advice, allocate the net profit or net loss to the shareholders so as to take into account the varying interests of the shareholders in the Company in a manner that complies with the provisions of Section 706 of the Code and the Treasury Regulations thereunder.

65.7 Without providing prior written notice to the Company and obtaining the prior written consent of the Board, no shareholder will take a position on such shareholder's United States federal income tax return, in any claim for refund or in any administrative or legal proceedings that is inconsistent with this Article 65 or with any information return filed by the Company and shares with such shareholder.

AUDITS

66. Audit

Nothing in these Articles shall be construed as making it obligatory to appoint Auditors.

67. Appointment of Auditors

67.1 Subject to Article 3.6(c) hereof, the Company may in general meeting appoint Auditors to hold office for such period as the Members may determine.

67.2 Whenever there are no Auditors appointed as aforesaid, subject to Article 3.6(c) hereof, the Directors may appoint Auditors to hold office for such period as the Directors may determine or earlier removal from office by the Company in general meeting.

67.3 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

68. Remuneration of Auditors

Unless fixed by the Company in general meeting the remuneration of the Auditor shall be as determined by the Directors.

69. Duties of Auditor

69.1 The Auditor shall make a report to the Members on the accounts examined by him and on every set of financial statements laid before the Company in general meeting, or circulated to Members, pursuant to this Article during the Auditor's tenure of office.

70. Access to Records

70.1 The Auditor shall at all reasonable times have access to the Company's books, accounts and vouchers and shall be entitled to require from the Company's Directors and Officers such information and explanations as the Auditor thinks necessary for the performance of the Auditor's duties and, if the Auditor fails to obtain all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of their audit, he shall state that fact in his report to the Members.

70.2 The Auditor shall be entitled to attend any general meeting at which any financial statements which have been examined or reported on by him are to be laid before the Company and to make any statement or explanation he may desire with respect to the financial statements.

VOLUNTARY WINDING-UP AND DISSOLUTION

71. Winding-Up

71.1 Subject to these Articles, including Article 3 hereof, the Company may be voluntarily wound-up by a Special Resolution of the Company.

71.2 If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution, divide amongst the Members 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 such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may, subject to these Articles, including Article 3 hereof, determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any Shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

72. Changes to Articles

Subject to the Law, the Memorandum and these Articles, including Article 3.6 hereof, the Company may, by Special Resolution, (a) alter or add to these Articles or (b) change its name.

73. Changes to the Memorandum of Association

Subject to the Law and these Articles, the Company may from time to time by Special Resolution alter the Memorandum with respect to any objects, powers or other matters specified therein.

74. Discontinuance

The Board may exercise all the powers of the Company to transfer by way of continuation the Company to a named country or jurisdiction outside the Cayman Islands pursuant to the Law.

OTHER

75. Notwithstanding anything in these Articles to the contrary, the parties hereto acknowledge and agree that (a) the name "Sequoia Capital" is commonly used to describe a variety of entities (collectively, the "**Sequoia Entities**") that are affiliated by ownership or operational relationship and engaged in a broad range of activities related to investing and securities trading and (b) notwithstanding any other provision of these Articles to the contrary, these Articles shall not be binding on, or restrict the activities of, any (i) Sequoia Entity outside of the Sequoia China Sector Group , (ii) entity primarily engaged in investment and trading in the secondary securities market; (iii) the ultimate beneficial owner of an Sequoia Entity (or its general partner or ultimate general partner) who is a natural Person, and such Person's relatives (including but without limitation, such Person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law), (iv) any officer, director or employee of a Sequoia Entity (or its general partner or ultimate general partner) and such Person's relatives, and (v) for the avoidance of doubt, any portfolio companies of any Sequoia Entity and portfolio companies of any affiliated investment fund or investment vehicle of any Sequoia Entity. For purposes of the foregoing, the "**Sequoia China Sector Group**" means all Sequoia Entities (whether currently existing or formed in the future) that are principally focused on companies located in, or with connections to, the PRC that are exclusively managed by Sequoia Capital. Notwithstanding anything to the contrary set forth herein, this Article 75 may not be amended or waived without the prior written consent of SCC Venture VII Holdco I, Ltd.

SECOND AMENDED AND RESTATED
INVESTOR RIGHTS AGREEMENT

THIS SECOND AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT (this "**Agreement**") is made as of July 30, 2021, by and among ShouTi Inc., an exempted company limited by shares incorporated under the laws of the Cayman Islands (the "**Company**"), and the investors set forth in Schedule A attached hereto (each, an "**Investor**" and collectively, the "**Investors**").

RECITALS

A. Certain of the Investors (the "**Existing Investors**") hold Series A preferred shares, par value US$0.0001 per share, of the Company (the "**Series A Preferred Shares**") and/or Series A+ preferred shares, par value US$0.0001 per share, of the Company (the "**Series A+ Preferred Shares**") and possess registration rights, information rights, rights of first offer, and other rights pursuant to that certain Amended and Restated Investor Rights Agreement dated as of March 11, 2020, by and among the Company and such Existing Investors (the "**Prior Agreement**").

B. The Existing Investors are holders of a majority of the then outstanding Registrable Securities (as defined in the Prior Agreement) of the Company, and desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement.

C. The Company and certain of the Investors are parties to that certain Series B Preferred Share Purchase Agreement dated as of the date hereof (the "**Purchase Agreement**"), pursuant to which such Investors are purchasing a certain number of Series B preferred shares, par value US$0.0001 per share, of the Company (the "**Series B Preferred Shares**").

D. It is a condition precedent under the Purchase Agreement that the Company and the Investors enter into this Agreement.

NOW, THEREFORE, in consideration of the premises set forth above, the mutual promises and covenants set forth herein and other good and valuable consideration, the Existing Investors hereby agree that the Prior Agreement is hereby amended and restated, and the parties to this Agreement further agree as follows:

1. Interpretation.

1.1 Definitions. The following terms shall have the meanings ascribed to them below:

"**Affiliate**" of any Person means any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, limited partner, member, manager, managing member, officer, employee, director or trustee of such Person or any trust for the benefit of any of the foregoing, or any Affiliate of any of the foregoing, or any venture capital fund, or other investment fund, or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person. For purposes of this definition, the terms "control", "controlling", "controlled by" and "under common control with," as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by agreement, as trustee or executor or otherwise. In the case of each Investor, the term "**Affiliate**" also includes (v) any shareholder of such Investor, (w) any of such shareholder's or such Investor's general partners or limited partners, (x) the fund manager managing or advising such shareholder or such Investor (and general partners, limited partners and officers thereof) and other funds managed or advised by such fund manager, and (y) trusts controlled by or for the benefit of any such Person referred to in (v), (w) or (x), and (z) any fund or holding company formed for investment purposes that is promoted, sponsored, managed, advised or serviced by such Investor.

"**Agreement**" has the meaning set forth in the preamble hereof.

"**Applicable Securities Law**" means (i) with respect to any offering of securities in the United States, or any other act or omission within that jurisdiction, the securities laws of the United States, including the Exchange Act and the Securities Act, and any applicable law of any state of the United States and (ii) with respect to any offering of securities in any jurisdiction other than the United States, or any related act or omission in that jurisdiction, the applicable laws of that jurisdiction.

"**Arbitration Notice**" has the meaning set forth in Section 9.4(a) hereof.

"**Articles**" means the Fourth Amended and Restated Memorandum and Articles of Association of the Company adopted on or about the date hereof, as such may be amended and/or restated from time to time.

"**Board of Directors**" means the board of directors of the Company.

"**Business Opportunity**" has the meaning set forth in Section 9.5(c) hereof.

"**BVF**" means, collectively, Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P., Biotechnology Value Trading Fund OS, L.P. and their respective Affiliates.

"**Commission**" means (i) with respect to any offering of securities in the United States, the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act and (ii) with respect to any offering of securities in a jurisdiction other than the United States, the regulatory body of the jurisdiction with authority to supervise and regulate the sale of securities in that jurisdiction.

"**Company**" has the meaning set forth in the preamble hereof.

"**Competitor**" means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in a substantially similar business to the business of the Company or any of its subsidiaries, as conducted or as proposed to be conducted as of the date of determination, and as reasonably determined by the Board of Directors; *provided, however*, that "Competitor" shall not include any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than twenty percent (20%) of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any member of the board of directors or similar governing body of such Competitor; *provided further*, that for the purposes of Sections 7.1 and 7.2 only, none of ERVC Healthcare IV, L.P., F-Prime Capital Partners Life Sciences Fund VI LP, SCC Venture VII Holdco I, L.P., Hillhouse, BVF, LAV, Surveyor, Cormorant nor any of their respective Affiliates that is an investment fund or other professional investment organization, nor any of their respective Affiliates or their respective partners, officers, or representatives which manage or advise any such investment funds, shall be deemed to be a "**Competitor**" as a result of any such investment, management or advisory activities.

"**Cormorant**" means Cormorant Private Healthcare Fund IV, LP and Cormorant Global Healthcare Master Fund, LP.

"**Dispute**" has the meaning set forth in Section 9.4(a) hereof.

"**Eight Roads**" means ERVC Healthcare IV, L.P. and its Affiliates.

"**Eight Roads Person**" means any Affiliate of Eight Roads and: (i) FIL Limited ("**FIL**"), a company incorporated in Bermuda, and any subsidiary undertaking of FIL from time to time (FIL and its subsidiary undertakings being the "**FIL Group**"); (ii) FMR LLC (FMR), a Delaware corporation, and any subsidiary undertaking of FMR from time to time (FMR and its subsidiary undertakings being the "**FMR Group**"); (iii) any director, officer, employee or shareholder of the FIL Group and/or the FMR Group or members of his family and any company, trust, partnership or other entity formed for his or any of their benefit from time to time (any or all of such individuals and entities being the "**Closely Related Shareholders**"); (iv) any entity controlled by Closely Related Shareholders where control shall mean the power to direct the management and policies or appoint or remove members of the board of directors or other governing body of the entity, directly or indirectly, whether through the ownership of voting securities, contract or otherwise, and controlled shall be construed accordingly; (v) any affiliate of any member of the FIL Group and/or the FMR Group (where affiliate, for the purposes of this provision only, means any entity controlled by any combination of any Closely Related Shareholders and, for purposes of this provision only, any member of the FIL Group and/or the FMR Group, and includes the officers, partners and directors of any affiliate); (vi) any fund in which any member of the FIL Group and/or the FMR Group or any Closely Related Shareholder is a partner; and (vii) any portfolio company held by any such fund or in which any member of the FIL Group and/or the FMR Group or a Closely Related Shareholder holds a minority investment.

"**Equity Securities**" means any Ordinary Shares or Ordinary Share Equivalents.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**F-Prime**" means F-Prime Capital Partners Life Sciences Fund VI LP and its Affiliates.

"**Form F-1**" means Form F-1 promulgated by the Commission under the Securities Act or any substantially similar form then in effect.

"**Form F-3**" means Form F-3 promulgated by the Commission under the Securities Act or any substantially similar form then in effect.

"**Fund Investor**" has the meaning set forth in Section 9.5(c) hereof.

"**Fully Exercising Investor**" has the meaning set forth in Section 8.3 hereof.

"**GAAP**" means generally accepted accounting principles in the United States.

"**Hillhouse**" means XX-I SHT Holdings Limited.

"**Holder Indemnified Party**" has the meaning set forth in Section 5.1(a) hereof.

"**Holders**" means any holder of Registrable Securities who is a party to this Agreement.

"**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, of an individual referred to herein.

"**Initiating Holders**" means, with respect to a written request duly made under Section 2.1 or Section 2.2 to Register any Registrable Securities, the Holders initiating such request.

"**Investor Director**" has the meaning set forth in Section 9.5(c) hereof.

"**Investors**" has the meaning set forth in the preamble hereof.

"**Issuance Notice**" has the meaning set forth in Section 8.2 hereof.

"**IPO**" means an initial public offering by the Company of the Ordinary Shares.

"**LAV**" means LAV Fund VI, L.P. and LAV Fund VI Opportunities, L.P.

"**Liquidation Event**" has the meaning given such term in the Articles, including, for avoidance of doubt, any deemed Liquidation Event as set forth in Article 3.2(c) of the Articles.

"**Major Holder**" means any Holder that, individually or together with such Holder's Affiliates, holds at least 1,012,500 shares of Registrable Securities (as adjusted for any share split, share dividend, combination, or other recapitalization or reclassification effected after the date hereof).

"**New Securities**" means any Equity Securities; provided, however, that the term "New Securities" does not include any Exempted Securities (as defined in the Articles) or any Equity Securities issued or to be issued in a public offering.

"**Ordinary Shares**" means the ordinary shares, par value US$0.0001 per share, of the Company.

"**Ordinary Share Equivalents**" means warrants, options, rights and other securities exercisable, convertible or exchangeable for the Ordinary Shares or securities exercisable, convertible, or exchangeable, for Ordinary Shares.

"**Overallotment Notice**" has the meaning set forth in Section 8.3 hereof.

"**Partnership Representative**" has the meaning set forth in Section 7.7(e) hereof.

"**Person**" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

"**Purchase Agreement**" has the meaning set forth in the Recitals hereof.

"**PRC**" means the People's Republic of China (For purposes of this Agreement, "PRC" does not include Hong Kong, Taiwan or Macau).

"**PRC Resident Enterprise**" has the meaning set forth in Section 7.7(h) hereof.

"**Preferred Shares**" means, collectively, the Series A Preferred Shares, the Series A+ Preferred Shares and the Series B Preferred Shares.

"**Prior Agreement**" has the meaning set forth in the Recitals hereof.

"**Pro Rata Portion**" has the meaning set forth in Section 8.3 hereof.

"**Qualified IPO**" has the meaning given such term in the Articles.

"**Registrable Securities**" means (i) the Ordinary Shares issuable or issued upon conversion of the Preferred Shares, and (ii) any Ordinary Shares issued (or issuable upon the conversion, exchange or exercise of any Ordinary Share Equivalent) as a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i) above; provided, however, that Registrable Securities shall not include any Ordinary Shares described in (i) or (ii) above which have previously been registered or which have been sold to the public either pursuant to a Registration Statement or Rule 144, or which have been sold in a private transaction in which the transferor's rights under this Agreement are not validly assigned in accordance with this Agreement.

"**Registration**" means a registration effected by preparing and filing a Registration Statement and the declaration or ordering of the effectiveness of that Registration Statement; and the terms "**Register**" and "**Registered**" have meanings concomitant with the foregoing.

"**Registration Statement**" means a registration statement prepared on Form F-1 or Form F-3, as applicable, under the Securities Act, or on any comparable form in connection with registration in a jurisdiction other than the United States.

"**Restricted Securities**" means the securities of the Company required to bear the legend set forth in Section 6.4(b) hereof.

"**Rule 144**" means Rule 144 promulgated by the Commission under the Securities Act, as such rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Selling Expenses**" means all underwriting discounts, selling commissions and share transfer taxes applicable to the sale of Registrable Securities.

"**Sequoia**" means SCC Venture VII Holdco I, Ltd., together with its Affiliate successors, assignees and transferees.

"**Sequoia Entities**" has the meaning set forth in Section 9.5(b) hereof.

"**Series A Preferred Shares**" has the meaning set forth in the Recitals hereof.

"**Series A+ Preferred Shares**" has the meaning set forth in the Recitals hereof.

"**Series B Preferred Shares**" has the meaning set forth in the Recitals hereof.

"**Surveyor**" means Citadel Multi-Strategy Equities Master Fund Ltd. and its Affiliates.

"**TCG**" means TCG Crossover Fund I, L.P.

"**Unsubscribed New Securities**" has the meaning set forth in Section 8.3 hereof.

"**Unsubscribed Pro Rata**" has the meaning set forth in Section 8.3 hereof.

"**Violation**" has the meaning set forth in Section 5.1(a) hereof.

1.2 Interpretation. For all purposes of this Agreement, except as otherwise expressly provided, (i) the terms defined in this Section 1 shall have the meanings assigned to them in this Section 1 and include the plural as well as the singular; (ii) all accounting terms not otherwise defined herein have the meanings assigned under generally accepted accounting principles; (iii) all references in this Agreement to designated "**Sections**" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement; (iv) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms; (v) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision; and (vi) all references in this Agreement to designated Schedules, Exhibits and Annexes are to the Schedules, Exhibits and Annexes attached to this Agreement unless explicitly stated otherwise.

1.3 Jurisdiction. Certain terms of this Agreement are drafted primarily in contemplation of securities offerings in the United States. The parties recognize, however, the possibility that there may be one or more Registrations in a jurisdiction other than the United States. It is, accordingly, their intention that whenever this Agreement refers to a law or institution of the United States but the parties wish to effectuate a Registration in a different jurisdiction, reference in this Agreement to the laws or institutions of the United States shall be read as referring, *mutatis mutandis*, to the comparable laws or institutions of the jurisdiction in question.

2. Demand Registration.

2.1 Registration on Form F-1. Subject to the terms of this Agreement, at any time after the earlier of (a) the fifth anniversary of the date hereof and (b) the date that is six (6) months after the closing of an IPO, the Holders holding at least fifty percent (50%) of Registrable Securities then outstanding may request in writing the Company to effect the Registration on Form F-1 (or any successor form to Form F-1 or any comparable form for Registration) of at least twenty percent (20%) (or a lesser percentage if the anticipated aggregate price to the public from the offering is reasonably expected to exceed US$10,000,000) of such Registrable Securities. The Company shall, subject to Sections 2.3, 2.4 and 2.5 hereof, (a) give written notice of the proposed Registration to all other Holders within fifteen (15) days after such request is given by the Initiating Holders and (b) as soon as reasonably practicable and in any event within sixty (60) days after the date such request is given by the Initiating Holders, cause the Registrable Securities specified in such request, together with any Registrable Securities of any Holder who requests in writing to join such Registration within fifteen (15) days after the Company's delivery of written notice, to be Registered and/or qualified for sale and distribution in such jurisdiction as the Initiating Holders may reasonably request. The Company shall not be obligated to effect, or to take any action to effect, any Registration pursuant to this Section 2.1: (i) after the Company has effected two (2) Registrations pursuant to this Section 2.1 or (ii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form F-3 pursuant to a request made pursuant to Section 2.2 below. A Registration shall not be counted as "effected" for purposes of this Section 2.1 until such time as the applicable Registration Statement has been declared effective by the Commission, unless the Initiating Holders withdraw their request for such Registration other than as a result of information concerning the business or condition of the Company which is made known to the Initiating Holders after the date on which such Registration was requested, elect not to pay the registration expenses therefor, and forfeit their right to one (1) demand Registration Statement pursuant to Section 4.3 hereof, in which case such withdrawn Registration Statement shall be counted as "effected" for purposes of this Section 2.1.

2.2 Registration on Form F-3. Subject to the terms of this Agreement, the Holders holding at least twenty percent (20%) of Registrable Securities then outstanding may request in writing the Company to file a Registration Statement on Form F-3 (or any successor form to Form F-3 or any comparable form for Registration) for a public offering of Registrable Securities for which the reasonably anticipated aggregate price to the public would exceed US$2,000,000 (based on the public market closing price on the date of such request), provided that the Company is entitled to use Form F-3 or a comparable form to Register the requested Registrable Securities. The Company shall, subject to Sections 2.3, 2.4 and 2.5 hereof, (a) promptly give written notice of the proposed Registration to all other Holders within ten (10) days after such request is given by the Initiating Holders and (b) as soon as practicable but in any event within forty-five (45) days, cause the Registrable Securities specified in the request, together with any Registrable Securities of any Holder who requests in writing to join such Registration within fifteen (15) days after the Company's delivery of written notice, to be Registered and/or qualified for sale and distribution in such jurisdiction as the Initiating Holders may reasonably request. The Company shall not be obligated to effect, or to take any action to effect, any Registration pursuant to this Section 2.2 if the Company has, within the twelve (12)-month period immediately preceding the date of the written request of the Initiating Holders, already effected two (2) Registrations on Form F-3 for the Holders pursuant to this Section 2.2. A Registration shall not be counted as "effected" for purposes of this Section 2.2 until such time as the applicable Registration Statement has been declared effective by the Commission, unless the Initiating Holders withdraw their request for such Registration other than as a result of information concerning the business or condition of the Company which is made known to the Initiating Holders after the date on which such Registration was requested, elect not to pay the registration expenses therefor, in which case such withdrawn Registration Statement shall be counted as "effected" for purposes of this Section 2.2.

2.3 Rights of Deferral.

(a) The Company shall not be obligated to Register or qualify Registrable Securities pursuant to this Section 2:

(i) in any jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such Registration or qualification, unless the Company is already subject to service of process in such jurisdiction;

(ii) if, within ten (10) days after delivery of any request by the Initiating Holders to Register any Registrable Securities under Section 2.1 or Section 2.2, as the case may be, the Company gives written notice to the Initiating Holders of its bona fide intention to effect the filing for its own account of a Registration Statement with the Commission within ninety (90) days of the date of such notice from the Company (other than a Registration of securities in a transaction under Rule 145 of the Securities Act or an offering solely to employees); provided, however, that the Company is actively employing in good faith commercially reasonable efforts to cause that Registration Statement to become effective; or

(iii) within six (6) months immediately following the effective date of any Registration Statement pertaining to the securities of the Company (other than a Registration of securities in a transaction under Rule 145 of the Securities Act or with respect to an employee benefit plan).

(b) If, after receiving a request from the Initiating Holders pursuant to Section 2.1 or Section 2.2, as the case may be, the Company furnishes to the Initiating Holders a certificate signed by the Chief Executive Officer of the Company stating that, in the good faith judgment of the Board of Directors, it would be seriously detrimental to the Company and its shareholders for a Registration Statement to either become effective or to remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or the Exchange Act, the Company's obligation to use its reasonable efforts to file a Registration Statement shall be deferred for a period not to exceed ninety (90) days from the receipt of any request duly submitted by the Initiating Holders under Section 2.1 or Section 2.2, as the case may be, to Register Registrable Securities, provided that the Company shall not exercise the right contained in this Section 2.3(b) more than once in any twelve (12)-month period.

2.4 Underwritten Offerings. If, in connection with a request to Register Registrable Securities under Section 2.1 or Section 2.2, as the case may be, the Initiating Holders seek to distribute such Registrable Securities in an underwriting, they shall so advise the Company as a part of the request, and the Company shall include such information in the written notice to the other Holders described in Sections 2.1 or Section 2.2, as the case may be. In such event, the right of any Holder to include its Registrable Securities in such Registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Initiating Holders holding a majority of the Registrable Securities held by the Initiating Holders (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Agreement, if the managing underwriter advises the Company that marketing factors (including, without limitation, the aggregate number of securities requested to be Registered and the general condition of the market) require a limitation of the number of Equity Securities to be underwritten, the underwriters may exclude some or all of the Registrable Securities from the underwriting if so justified after excluding any other Equity Securities from the underwriting. If a limitation of the number of Registrable Securities is required pursuant to this Section 2.4, the number of Registrable Securities that may be included in the underwriting by selling Holders shall be allocated among such Holders, in proportion, as nearly as practicable, to the respective amounts of Registrable Securities which the Holders would otherwise be entitled to include in the Registration or in such other proportion as shall mutually be agreed to by all such selling Holders. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the Registration. For purposes of the provision in this Section 2.4 concerning apportionment, for any selling Holder that is a partnership, limited liability company or corporation, the partners, members, retired partners, retired members, stockholders and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

2.5 Designation of Joint Counsel. In connection with any Registration under this Section 2, the Initiating Holders holding a majority of the Registrable Securities then held by such Initiating Holders shall mutually agree on counsel to represent the Holders in such Registration.

3. Piggyback Registrations.

3.1 Registration of the Company's Securities. Subject to Section 3.3 hereof, if the Company proposes to Register any of its Equity Securities for cash by or on behalf of itself or for cash for the account of the shareholders of the Company other than the Holders in connection with the public offering of such securities (other than in an Registration pursuant to Section 3.4 hereof), the Company shall promptly, but in any event no less than twenty (20) days prior thereto, give each Holder written notice of such Registration and, upon the written request of any Holder given within twenty (20) days after receipt by such Holder of such notice from the Company, the Company shall include in such Registration any Registrable Securities thereby requested by such Holder.

3.2 Right to Terminate Registration. The Company shall have the right to terminate or withdraw any Registration initiated by it under Section 3.1 prior to the effectiveness of such Registration, whether or not any Holder has elected to participate therein. The expenses of such withdrawn Registration shall be borne by the Company in accordance with Section 4.3.

3.3 Underwriting Requirements.

(a) In connection with any offering involving an underwriting of the Company's Equity Securities, the Company shall not be required to Register the Registrable Securities of any Holder under this Section 3 unless such Holder's Registrable Securities are included in the underwriting and such Holder enters into an underwriting agreement in customary form with the underwriters selected by the Company and setting forth such terms for the underwriting as have been agreed upon between the Company and the underwriters. In the event the underwriters advise any Holder seeking Registration of Registrable Securities pursuant to this Section 3 in writing that marketing factors (including, without limitation, the aggregate number of Registrable Securities requested to be Registered, the general condition of the market and the status of the persons proposing to sell securities pursuant to the Registration) require a limitation of the number of Equity Securities to be underwritten, the underwriters may exclude Registrable Securities from the Registration and underwriting if so justified after excluding any other Equity Securities (except for securities to be offered by the Company) from the Registration and underwriting, so long as the amount of Registrable Securities included in such offering is not reduced below thirty (30%) of the total number of securities included in the offering, unless such offering is the IPO, in which case all Registrable Securities may be excluded.

(b) If a limitation on the number of Registrable Securities is required pursuant to paragraph (a) above, the number of Registrable Securities that may be included in the Registration and underwriting by selling Holders shall be allocated among such Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities which the Holders would otherwise be entitled to include in the Registration or in such other proportion as shall mutually be agreed to by all such selling Holders. For purposes of the provision in this Section 3.3 concerning apportionment, for any selling Holder that is a partnership, limited liability company or corporation, the partners, members, retired partners, retired members, stockholders and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) If any Holder disapproves of the terms of any underwriting, the Holder may elect to withdraw therefrom by written notice to the Company and the underwriters delivered at least seven (7) days prior to the effective date of the Registration Statement. Any Registrable Securities excluded or withdrawn from the underwriting shall be withdrawn from the Registration.

3.4 Exempt Transactions. The Company shall have no obligation to Register any Registrable Securities under this Section 3 in connection with a Registration by the Company (i) relating solely to the sale of securities to participants in a Company share option, share purchase or similar plan, (ii) relating to a corporate reorganization or other transaction under Rule 145 promulgated under the Securities Act (or comparable provision under the laws of another jurisdiction, as applicable) or (iii) on any form that does not include substantially the same information as would be required to be included in a Registration Statement covering the sale of the Registrable Securities.

4. Procedures.

4.1 Registration Procedures and Obligations. Whenever required under this Agreement to effect the Registration of any Registrable Securities held by the Holders, the Company shall, as expeditiously as possible:

(a) prepare and file with the Commission a Registration Statement with respect to those Registrable Securities and use its reasonable efforts to cause that Registration Statement to become effective, and, upon the request of the Holders holding a majority of the Registrable Securities Registered thereunder, keep the Registration Statement effective for a period that is the shorter of up to one hundred twenty (120) days or until the distribution contemplated in the Registration Statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period any Holder refrains from selling any securities included in such Registration at the request of an underwriter of Ordinary Shares (or other securities) of the Company; and (ii) in the case of any Registration of Registrable Securities on Form F-3 which are intended to be offered on a continuous or delayed basis, such one hundred twenty (120) day period shall be extended, if necessary, to keep the Registration Statement effective until all such Registrable Securities are sold;

(b) prepare and file with the Commission amendments and supplements to that Registration Statement and the prospectus used in connection with the Registration Statement as may be necessary to comply with the provisions of Applicable Securities Law with respect to the disposition of all securities covered by the Registration Statement;

(c) furnish to the selling Holders the number of copies of a prospectus, including a preliminary prospectus, as required by Applicable Securities Law, and any other documents as the selling Holders may reasonably request to facilitate the disposition of Registrable Securities owned by them;

(d) use its reasonable efforts to Register and qualify the securities covered by the Registration Statement under the securities laws of any jurisdiction, as reasonably requested by the selling Holders; provided, however, that the Company shall not be required to qualify to do business or file a general consent to service of process in any such jurisdictions unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of the offering, provided that each Holder participating in the underwriting shall also enter into and perform its obligations under such an agreement;

(f) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective by the Commission or a supplement to any prospectus forming a part of such registration statement has been filed with the Commission;

(g) notify each selling Holder at any time when a prospectus relating thereto is required to be delivered under Applicable Securities Law or of the happening of any event as a result of which any prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(h) provide a transfer agent and registrar for all Registrable Securities Registered pursuant to the Registration Statement and, where applicable, a CUSIP number for all those Registrable Securities, in each case not later than the effective date of the Registration;

(i) furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such Registrable Securities are being sold through underwriters, (i) an opinion, dated the date of the sale, of the counsel representing the Company for the purposes of the Registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, and (ii) a comfort letter dated the date of the sale, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters; and

(j) take all reasonable action necessary to list the Registrable Securities on the s securities are then traded.

4.2 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Agreement with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of such securities as shall be required to effect the Registration of such Holder's Registrable Securities.

4.3 Expenses of Registration. Except as provided below, all expenses, other than Selling Expenses, incurred in connection with Registrations, filings or qualifications pursuant to this Agreement, including, without limitation, all Registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and reasonable fees and expenses of one special counsel for the selling Holders shall be borne by the Company. The Company shall not, however, be required to pay for any expenses of any Registration proceeding begun pursuant to this Agreement if the Registration request is subsequently withdrawn at the request of the Initiating Holders (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be thereby Registered in the withdrawn Registration), unless the Initiating Holders agree to forfeit their right to one (1) Registration pursuant to Section 2.1 or Section 2.2, as the case may be; provided, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses. All Selling Expenses relating to Registrable Securities Registered pursuant to this Agreement shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities Registered on their behalf.

4.4 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any Registration pursuant to this Agreement as the result of any controversy that may arise with respect to the interpretation or implementation of this Agreement.

5. Indemnification.

5.1 Company Indemnity.

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, such Holder's officers, directors, shareholders, legal counsel and accountants, any underwriter (as defined in the Securities Act) for such Holder and each Person, if any, who controls (as defined in the Securities Act) such Holder or underwriter (each, a "**Holder Indemnified Party**") against any losses, claims, damages or liabilities (joint or several) to which they may become subject under Applicable Securities Laws, or any rule or regulation promulgated under Applicable Securities Laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (each a "**Violation**"): (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement of the Company, including any preliminary prospectus, final prospectus or free-writing prospectus contained therein or any amendments or supplements thereto, (ii) any omission or alleged omission to state in the Registration Statement of the Company, including any preliminary prospectus, final prospectus or free-writing prospectus contained therein or any amendments or supplements thereto, a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Company of Applicable Securities Laws, or any rule or regulation promulgated under Applicable Securities Laws. The Company will reimburse each such Holder Indemnified Party for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action.

(b) The indemnity agreement contained in this Section 5.1 shall not apply to amounts paid in settlement of any loss, claim, damage, liability or action if such settlement is effected without the written consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such Registration by or on behalf of any such Holder Indemnified Party.

5.2 Holder Indemnity.

(a) To the extent permitted by law, each selling Holder will, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, shareholders, legal counsel and accountants, any underwriter, any other Holder selling securities in connection with such Registration and each Person, if any, who controls (within the meaning of the Securities Act) the Company, such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing Persons may become subject, under Applicable Securities Laws, or any rule or regulation promulgated under Applicable Securities Laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by or on behalf of such Holder expressly for use in connection with such Registration; and each such Holder will reimburse any Person intended to be indemnified pursuant to this Section 5.2, for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability or action.

(b) The indemnity contained in this Section 5.2 shall not apply to amounts paid in settlement of any loss, claim, damage, liability or action if such settlement is effected without the written consent of the Holder (which consent shall not be unreasonably withheld), and in no event shall any indemnity under this Section 5.2 exceed the net proceeds (exclusive of any Selling Expenses paid by such Holder relating to Registrable Securities included in the applicable Registration Statement) from the offering received by such Holder, except in the case of fraud by such Holder.

5.3 Notice of Indemnification Claim. Promptly after receipt by an indemnified party under Section 5.1 or Section 5.2, as the case may be, of notice of the commencement of any action (including any governmental action) for which such indemnified party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under Section 5.1 or Section 5.2, as the case may be, deliver to the indemnifying party a written notice of the commencement thereof. The indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, and to assume the defense thereof with counsel mutually satisfactory to the parties. An indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if materially prejudicial to the indemnifying party's ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 5, but the failure to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 5.

5.4 Contribution. If any indemnification provided for in Section 5.1 or Section 5.2, as the case may be, is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and of the indemnified party, on the other, in connection with the Violation that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, that in no event shall any contribution by a Holder hereunder exceed the net proceeds (exclusive of any Selling Expenses paid by such Holder relating to Registrable Securities included in the applicable Registration Statement) from the offering received by such Holder, except in the case of fraud by such Holder.

5.5 Underwriting Agreement. Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

5.6 Survival. Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 5 shall survive the completion of any offering of Registrable Securities in a Registration Statement under this Agreement, and otherwise shall survive the termination of this Agreement.

6. Additional Undertakings.

6.1 Reports under the Exchange Act. With a view to making available to the Holders the benefits of Rule 144 and any comparable provision of any Applicable Securities Law that may at any time permit a Holder to sell securities of the Company to the public without Registration or pursuant to a Registration on Form F-3 (or any comparable form in a jurisdiction other than the United States), the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in such Rule 144 (or comparable provision under Applicable Securities Laws in any jurisdiction where the Company's securities are listed), at all times following ninety (90) days after the effective date of an IPO;

(b) use commercially reasonable efforts to file with the Commission in a timely manner all reports and other documents required of the Company under all Applicable Securities Laws; and

(c) at any time following ninety (90) days after the effective date of the IPO, promptly furnish to any Holder holding Registrable Securities, upon request (i) a written statement by the Company that it has complied with the reporting requirements of all Applicable Securities Laws at any time after it has become subject to such reporting requirements or, at any time after so qualified, that it qualifies as a registrant whose securities may be resold pursuant to Form F-3 (or any form comparable thereto under Applicable Securities Laws of any jurisdiction where the Company's securities are listed), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents as may be filed by the Company with the Commission and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the Commission that permits the selling of any such securities without Registration or pursuant to such form.

6.2 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the then outstanding Registrable Securities, enter into any agreement with any holder or prospective holder of any Equity Securities of the Company that would allow such holder or prospective holder to include such securities in any Registration filed under Section 3, unless under the terms of such agreement such holder or prospective holder may include such Equity Securities in any such Registration only to the extent that the inclusion of such securities will not reduce the amount of the Registrable Securities of the Holders that are included; provided, however, that the limitations under this Section 6.2 shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Section 9.1.

6.3 "Market Stand-Off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days or such other period, not to exceed thirty (30) days after the expiration of such one hundred eighty (180) days, as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (A) the publication or other distribution of research reports or (B) analyst recommendations and opinions, including, without limitation, the restrictions contained in applicable FINRA rules, or any successor provisions or amendments thereto), (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Ordinary Shares or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise (provided that such restrictions shall not apply to any transactions (including, without limitation, any swap, hedge or similar agreement or arrangement) or announcements, in each case, relating to shares or securities acquired by the Holder in the IPO or in the open market or other transactions after the consummation of the IPO or that otherwise do not involve or relate to shares of capital stock of the Company owned by a Holder prior to the IPO). The foregoing provisions of this Section 6.3 (a) shall apply only to the IPO, and shall not apply to either the sale of any shares to an underwriter pursuant to an underwriting agreement or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the Immediate Family Members of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, and (b) shall be applicable to the Holders only if all officers and directors, and all stockholders, individually owning more than one percent (1 %) of Ordinary Shares outstanding immediately prior to consummation of the IPO (after giving effect to conversion into Ordinary Shares of all outstanding Preferred Shares or other convertible securities of the Company), are subject to the same restrictions. If there is any discretionary waiver, termination or other release from the market stand-off restrictions set out herein of any shareholder's shares subject to such restrictions at any time during the market stand-off time period, each Investor may sell, transfer or otherwise dispose of an equal percentage of such Investor's shares originally subject to the market stand-off restrictions. The underwriters in connection with such registration are intended third-party beneficiaries of this Section 6.3 and shall have the right, power, and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 6.3 or that are necessary to give further effect thereto.

6.4 Restrictions on Transfer.

(a) The Preferred Shares and the Registrable Securities shall not be sold, pledged or otherwise transferred, and the Company shall not recognize any such sale, pledge or transfer, except upon the conditions specified in this Agreement, which conditions are primarily intended to ensure compliance with the provisions of the Securities Act. A transferring Investor will cause any proposed purchaser, pledgee or transferee of the Preferred Shares and the Registrable Securities held by such Investor to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate representing (i) Registrable Securities, (ii) the Preferred Shares or (iii) any other securities issued in respect of the securities referenced in the clauses (i) and (ii) above, upon any share split, share dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of Section 6.4(c)) be stamped or otherwise imprinted with a legend in the following form:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). SUCH SECURITIES MAY NOT BE TRANSFERRED UNLESS (A) A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER OR (B) PURSUANT TO RULE 144, OR (C) IN THE OPINION OF THE COMPANY, REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT."
>
> "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD OF UP TO 180 DAYS FOLLOWING THE EFFECTIVE DATE OF A REGISTRATION STATEMENT OF THE COMPANY FILED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE COMPANY'S INITIAL PUBLIC OFFERING PURSUANT TO SECURITIES LAWS APPLICABLE TO AN OFFERING OF SECURITIES IN A JURISDICTION OTHER THAN THE UNITED STATES, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES."

The Investors consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Section 6.4.

(c) The holder of each certificate representing the Restricted Securities, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 6.4. Before any proposed sale, pledge or transfer of any Restricted Securities, unless there is in effect a Registration Statement under the Securities Act covering the proposed transaction, the holder thereof shall give notice to the Company of such holder's intention to effect such sale, pledge or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; or (ii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the holder of such Restricted Securities shall be entitled to sell, pledge or transfer such Restricted Securities in accordance with the terms of the notice given by such holder to the Company. The Company will not require such a legal opinion or any other evidence in any transaction in which such holder distributes Restricted Securities to (i) an Affiliate or Immediate Family Member of such holder, or a trust for the benefit of such holder or such holder's Immediate Family Member, for no consideration; (ii) a partner or retired partner of any holder of Restricted Securities that is a partnership, or a member or former member of any such holder that is a limited liability company; or (iii) in the case of Eight Roads, any transfer of Restricted Securities to any other Eight Roads Person, provided that in each case the transferee agrees in writing to be subject to the terms of this Section 6.4. Each certificate or instrument evidencing the Restricted Securities transferred as above provided shall bear, except if such transfer is made pursuant to Rule 144, the appropriate restrictive legend set forth in Section 6.4(b) hereof, except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

(d) Notwithstanding the foregoing, no Investor shall sell, pledge or otherwise transfer the Preferred Shares, Ordinary Shares or Ordinary Share Equivalents now or subsequently owned or acquired by such Investor to a Competitor. In making any determination with respect to a "Competitor" for purposes of this Section 6.4(d). the Board of Directors shall act reasonably and in good faith. Notwithstanding the foregoing, the Company agrees that (i) no Investor that is a professional investment fund or similar investment organization, or any of any such Investor's Affiliates that is a professional investment fund or similar investment organization, or any of their respective partners, officers or representatives, or any of the limited partners of such Investor or any of their respective shareholders, shall be considered a "Competitor" for purposes of the foregoing restriction on transfer solely as a result of any such investment, or as a result their ownership of any partnership interest; and (ii) any restrictions on transfer set forth in this Section 6.4 shall in no event apply to, and any Investor's any rights, preferences and privileges under this Agreement and the other Transaction Documents and with respect to its shares in the Company shall not be impacted as a result of, any transfer by any of such Investor's or its shareholders' limited partners of their partnership interest. The covenants set out in this Section 6.4(d) shall expire with respect to an Investor effective immediately upon a Qualified IPO or any other IPO in connection with which all outstanding Preferred Shares held by such Investor are converted into Ordinary Shares.

6.5 Assignment of Registration Rights and Information Rights. The right to cause the Company to Register Registrable Securities pursuant to this Agreement and the information and inspection rights set forth in Sections 7.1 and 7.2 below may be assigned by a Holder to a transferee or assignee of such securities that is not a Competitor and that (i) is an Affiliate of a Holder, (ii) is an Immediate Family Member of such Holder, or a trust for the benefit of such Holder or such Holder's Immediate Family Member, (iii) is a partner or retired partner of any Holder that is a partnership, or a member or former member of any Holder that is a limited liability company, (iv) if after such assignment or transfer, the transferee or assignee would be a Major Holder hereunder or (v) in the case of Eight Roads, is another Eight Roads Person, provided that, within a reasonable time after such transfer, (a) the Company is furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; and (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement. In the event of a transfer or assignment of Registrable Securities that does not satisfy the conditions set forth above, such transfer or assignment shall be deemed null and void and such securities shall no longer be deemed to constitute "Registrable Securities" for purposes of this Agreement.

6.6 Termination of Registration Rights. No Holder shall be entitled to exercise any Registration rights provided for in Section 2 or Section 3 hereof following the earlier to occur of: (i) the closing of a Liquidation Event, (ii) the fifth (5^{th}) anniversary of the consummation of an IPO or (iii) at such time, following an IPO, when all Registrable Securities held by such Holder (and any Affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) can be sold without limitation and without Registration in compliance with Rule 144 promulgated under the Securities Act.

7. Covenants of the Company.

7.1 Information Rights. The Company shall deliver to each Major Holder, provided that the Board of Directors has not reasonably determined that such Major Holder is a Competitor:

(a) as soon as practicable but in any event within one-hundred twenty (120) days after the end of each fiscal year of the Company, a consolidated income statement and statement of cash flows for the Company for such fiscal year and a consolidated balance sheet for the Company as of the end of the fiscal year, all audited and certified by independent certified public accountants of recognized international standing and reputation selected by the Company;

(b) as soon as practicable but in any event within forty-five (45) days after the end of each of the first three quarters of each fiscal year of the Company, a consolidated unaudited income statement and statement of cash flows for such fiscal quarter and a consolidated unaudited balance sheet as of the end of such fiscal quarter;

(c) as soon as practicable but in any event within forty-five (45) days after the end of each of the first three quarters of each fiscal year of the Company, a current capitalization table of the Company, showing the number of shares of each class and series in the outstanding share capital in the Company and securities convertible into or exercisable for shares in the share capital of the Company, including the number of outstanding awards and awards not yet issued but reserved for issuance under the Company's equity incentive plan;

(d) as soon as practicable but in any event thirty (30) days prior to the end of each fiscal year, a budget and a business plan for the next fiscal year prepared on a monthly basis and, promptly after being prepared, any other budgets or revised budgets prepared by the Company; and

(e) in a timely manner, such other information relating to the financial condition, business, prospects, or corporate affairs of the Company and its subsidiaries as any Major Holder may from time to time reasonably request; *provided*, that the Company shall not be obligated under this Section 7.1(e) to provide information that it reasonably considers to be a trade secret or confidential information or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

7.2 Inspection. The Company shall permit each Major Holder (provided that the Board of Directors has not reasonably determined that such Major Holder is a Competitor), at such Major Holder's expense, to visit and inspect the Company's properties and examine the Company's books of account and records and discuss the affairs, finances and accounts of the Company with the Company's officers, all at such reasonable times as may be requested by such Major Holder upon prior written notice to the Company; *provided*, *however*, that the Company shall not be obligated pursuant to this Section 7.2 to provide access to any information that it reasonably considers to be a trade secret or confidential information or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

7.3 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge or use for any purpose any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a Registration Statement) or any agreement contemplated hereunder, unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 7.3 by such Investor), (b) is or has been independently developed or conceived by such Investor without use of the Company's confidential information or (c) is or has been made known or disclosed to such Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; *provided, however*, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants or other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Section 7.3, but only if such prospective purchaser is not a Competitor; (iii) solely with respect to disclosures by an Investor that is an investment fund, to the partners, Affiliates or prospective investors of such Investor on a confidential basis, which disclosures consist of any information for fund and inter-fund reporting purposes or consist of summary financial and business milestone information of the type typically communicated to investors in a venture capital or other investment fund; or (iv) as may otherwise be required by applicable law; provided, that such Investor shall promptly notify the Company in writing of such disclosure and take reasonable steps to minimize the extent of any such required disclosure. Notwithstanding any provision herein to the contrary, any Investor and its representatives shall not be required to give notice to the Company, and shall not be prohibited from disclosing confidential information, to the extent required in connection by a regulatory authority or self-regulatory authority during the course of a routine or periodic examination of the business or operations of such Investor and not specifically directed at the Company or the confidential information of the Company obtained pursuant to this Agreement.

7.4 Employee Agreements; Consultant Agreement. The Company will cause (i) each Person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement; and (ii) to the extent permitted by applicable laws, each executive-level employee to enter into a noncompetition and nonsolicitation agreement, substantially in the form approved by the Board of Directors. The Company will use good faith efforts, and will cause each of its subsidiaries to use good faith efforts, to seek appropriate amendment to any agreement containing such provisions and entered into prior to the date hereof with its and their respective employees and/or consultants/independent contracts in order to harmonize such pre-existing agreements with the form(s) utilized by the Company on the date hereof.

7.5 Board Matters. The Company shall reimburse the directors for all reasonable out- of-pocket costs and expenses incurred by such directors in connection with attending meetings of the Board of Directors and other meetings or events attended on behalf of the Company or at the Company's request.

7.6 D&O Insurance. The Company shall use its commercially reasonable efforts to obtain and maintain directors and officers insurance with terms and conditions and in an amount as determined by the Board of Directors.

7.7 Certain Tax Covenants.

(a) Tax Status. It is the intention of the parties that, at all times during the Company's existence, the Company be treated as a partnership, and not as an association taxable as a corporation, for United States federal and state income tax purposes and, neither the Company nor any other party shall take any action or any tax or financial reporting position inconsistent with the Company's status as a partnership for United States federal and state income tax purposes, except as permitted by the following sentence. The Company shall take such actions, including making an election to be treated as a partnership or refraining from making an election to be treated as a corporation, as may be required to ensure that at all times the Company is classified as partnership for United States federal and state income tax purposes, unless a change of classification of the Company from a partnership to a corporation is (i) in connection with a Qualified IPO, or (ii) approved through the receipt by the Company of the prior written consent of a supermajority (66.67%) of then outstanding Preferred Shares, voting together as a single class on an as-converted basis; provided, that, in each case, the change in classification of the Company from a partnership to a corporation is treated as tax-free transaction to the Company and the Fund Investors for U.S. federal and state income tax purposes. If a change in the status of the Company to a corporation for federal and state income tax purposes in connection with a Qualified IPO cannot be structured as a tax-free transaction, such transaction shall be effectuated utilizing an UP-C structure (or other similar structure) that provides the Fund Investors with no less favorable economics and liquidity rights. Without the prior approval of the Board of Directors, the Company may not form or acquire directly or indirectly any new subsidiary.

(b) UBTI. The Company and its officers and directors shall conduct the affairs of the Company and its subsidiaries in a manner that does not cause any Investor or beneficial owner thereof to realize any "unrelated business taxable income" within the meaning of Sections 512 through 514 of the Internal Revenue Code of 1986, as amended (the "**Code**"), including "unrelated debt finance income" under Section 514 of the Code, or any item of gross income that would be included in determining such Investor's (or beneficial owner's) unrelated business taxable income solely as a result of its ownership of shares of the Company.

(c) The Company and its officers and directors shall conduct the affairs of the Company and its subsidiaries in a manner that, in the aggregate, will not cause the Company and its subsidiaries, and will not cause any Investor or beneficial owner thereof, to (i) be treated for United States federal income tax purposes as engaged in a "trade or business within the United States," within the meaning of Section 864 of the Code, including as a result of the application of Section 897 of the Code, or (ii) recognize income that is treated as "effectively connected with the conduct of a trade or business within the United States" within the meaning of Sections 871, 882 and 897 of the Code ("**ECI**"), during any taxable year of the Company; *provided, however*, that this Section 7.7(c) shall not apply to any activities of the Company or any of its subsidiaries that is incorporated or organized in the United States and taxable as a corporation for United States federal income tax purposes that is not a "**United States real property holding corporation**" within the meaning of Section 897(c)(2) of the Code (a "**Corporate Subsidiary**"). In furtherance, and without limiting the foregoing, absent written consent of the Fund Investors, the Company shall not be entitled to own any assets other than equity of one or more entities treated as corporations for U.S. federal income tax purposes or cash and cash equivalents.

(d) Neither the Company nor any of its Subsidiaries shall participate in any transaction that constitutes a "listed transaction" (within the meaning of Section 1.6011-4(b)(2) of the Treasury Regulations.

(e) The Company shall provide to each Investor such information and tax reporting as may be required or reasonably requested by such Investor in order to permit such Investor to comply with such Investor's tax reporting and filing obligations with respect to the Company (including IRS Form 5471), or in order to withhold tax or to file tax returns and reports or to furnish tax information to any of such Investor's Affiliates. In addition, the Company shall, for each taxable year in which the Company or any of its subsidiaries is or reasonably may be deemed a "passive foreign investment company" within the meaning of Section 1297 of the Code (any such entity, a "**PFIC**"), provide the statements and information (including without limitation, a PFIC Annual Information Statement meeting the requirements of Treasury Regulations Section 1.1295-1(g)) necessary to enable each Investor that is a "United States person" within the meaning of Section 7701(a)(30) to make and comply with the requirements of a "Qualified Electing Fund" election pursuant to Section 1295 of the Code or filing a "protective statement" pursuant to Treasury Regulations Section 1.1295-3 with respect to such PFIC. Not in limitation of the foregoing, the Company and its officers and directors shall provide each Investor with (i) an Internal Revenue Service Schedule K-1 (or, to the extent the Company is not required to file a Schedule K-1, any analogous state or local income tax schedule or the equivalent thereof containing relevant information concerning the Company that is required to be filed by United States shareholders) for each taxable year of the Company no later than 60 days after the end of such taxable year and (ii) a good faith estimate of the items to be included on the final IRS Schedule K-1 to Form 1065 to be delivered pursuant to clause (ii) no later than 15 days following the end of such taxable year.

(f) Raymond Stevens will be the "**Partnership Representative**" as described in section 6223 of the Code as in effect by the Bipartisan Budget Act of 2015 (U.S. Public Law 114-74) and shall act at all times in his capacity as such solely at the direction of the Board of Directors. In the event Raymond Stevens elects not to serve, or withdraws from serving, as the Partnership Representative, a new Partnership Representative shall be selected by the Board of Directors. The Partnership Representative shall have such rights, powers and authority conferred upon such person by the Board of Directors. Each Investor hereby agrees (i) to take such actions as may be reasonably required to effect the designation of the Partnership Representative and (ii) to cooperate to provide any information or take such other actions as may be reasonably requested by the Partnership Representative in order to determine whether any Imputed Underpayment Amount (as defined in the Articles) may be modified pursuant to Code Section 6225(c) or similar provisions of state or local law. An Investor's obligation to comply with this Section 7.7(e) shall survive the transfer, assignment or liquidation of such Investor's interest in the Company. Notwithstanding any provision to the contrary in this Agreement, neither the Company nor the Partnership Representative shall require any Fund Investor to amend any prior tax returns or file an amended tax return or information statement for a prior taxable period (including pursuant to Section 6225(c)) of the Code), without the prior written approval from such Fund Investor. The Partnership Representative and the Board of Directors shall provide the Investors with regular updates regarding the status of any tax audits, reviews or contests involving the Company or its subsidiaries, including any that could result in an Imputed Underpayment Amount. The Company shall, to the extent such tax audit or similar proceeding (or the settlement, compromise or resolution thereof) in respect of the Company could reasonably be expected to materially disproportionately and adversely affect any of the Fund Investors, (a) permit the applicable Fund Investor to participate in any such proceeding and to retain its own counsel with respect to such proceeding at the Fund Investor's own expense and (b) not settle, compromise, or otherwise resolve any issues raised in such proceeding without the written consent of the Fund Investor, such consent not to be unreasonably withheld, delayed, or conditioned. The Company shall indemnify and reimburse the Partnership Representative for all out-of-pocket losses and expenses (including legal and accounting fees) incurred solely in his capacity as Partnership Representative, including in connection with any examination or administrative or judicial proceeding.

(g) The Company and the Investors hereto hereby acknowledge and agree to treat the Preferred Shares as equity for all U.S. federal and state income tax purposes.

(h) The Company has not been classified by the PRC tax authority as a "resident enterprise" of China, as defined by Article 2 of the PRC Enterprise Income Tax Law, as amended from time to time (a "**PRC Resident Enterprise**"). In the event that, during the period in which any Investor or any of its successors or assigns holds shares in the Company, the Company is classified by the PRC tax authority in charge as a PRC Resident Enterprise, the Company shall provide each Investor or its successors or assigns written notice as soon as reasonably practicable. The Company will use its best efforts to arrange its management activities in such a way as to avoid being a PRC Resident Enterprise in each taxable year during the period in which any Investor or any of its successors or assigns holds shares in the Company, including taking such efforts as are deemed prudent under applicable laws; *provided, however*, that such additional efforts do not cause undue burden on the Company or its officers including but not limited to requiring the officers of the Company to move their residency outside the PRC.

(i) The Company shall (i) regularly monitor its activities in relation to the obligations set forth in this Section 7.7, (ii) consult with United States tax advisors experienced in the matters described in this Section 7.7 regarding such activities and compliance, from time to time or upon the request of any Investor, (iii) promptly notify the Investors in writing if it determines if there is a risk that it is not in compliance with the obligations set forth in this Section 7.7 and take steps to comply with such obligations, (iv) not directly engage in any business activities other than those that a reasonably necessary or appropriate in connection with making or maintaining the Company's investments in one or more subsidiaries that are classified as C corporations for United States federal tax purposes, and (v) upon request by any Investor, provide such information as such Investor may reasonably request to confirm the Company's compliance with such obligations.

7.8 Anti-Corruption Policies. The Company shall provide copies of any anti-corruption policies of the Company or any of its subsidiaries to an Investor upon request for its internal compliance records.

7.9 Termination of Covenants. The covenants set forth in this Section 7 (other than each Investor's confidentiality obligations set forth in Section 7.3 hereof) shall terminate and be of no further force or effect upon the earliest to occur of: (i) immediately prior to the closing of a Qualified IPO, (ii) upon a Liquidation Event or (iii) the date when the Company first becomes subject to the periodic reporting requirements of Sections 12(g) or 15(d) of the Exchange Act (or comparable requirements under the laws of another jurisdiction). Notwithstanding the foregoing, Section 7.3 shall survive any termination of this Agreement.

8. Right of First Offer

8.1 General. Subject to the terms and conditions specified in this Section 8, the Company hereby grants to each Investor a right of first offer with respect to any New Securities that the Company may, from time to time, propose to sell and issue. An Investor who chooses to exercise the right of first offer may designate as purchasers under such right itself or any of its Affiliates in such proportions as it deems appropriate; *provided*, that any such Affiliate is not a Competitor. Each time the Company proposes to offer or sell any New Securities, the Company shall first make an offering of such New Securities to each Investor in accordance with the provisions of this Section 8.

8.2 Issuance Notice. The Company shall deliver a written notice (the "**Issuance Notice**") to each Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

8.3 Participation. Within twenty (20) days after receipt of the Issuance Notice, each Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Issuance Notice, up to that portion of such New Securities which equals the proportion that the number of Ordinary Shares (assuming full conversion and exercise of all convertible or exercisable securities of the Company held by such Investor) then held by such Investor bears to the total number of Ordinary Shares then outstanding (assuming full conversion and exercise of all convertible or exercisable securities of the Company) (the "**Pro Rata Portion**"). Upon the expiration of such twenty (20) day period, the Company shall promptly notify in writing (the "**Overallotment Notice**") each Investor that elects to purchase all the New Securities available to it (each, a "**Fully Exercising Investor**") of any other Investor's failure to do likewise. Within ten (10) days after receipt of the Overallotment Notice, each Fully Exercising Investor shall be entitled to purchase or otherwise acquire, in addition to such Investor's Pro Rata Portion of the New Securities, any New Securities that any Investor had the right to purchase or otherwise acquire pursuant to this Section 8 but which were not so subscribed for by such Investor (in the aggregate, the "**Unsubscribed New Securities**"); *provided*, that, in the event the Fully Exercising Investors elect to purchase more than the total number of Unsubscribed New Securities, each Fully Exercising Investor that elects to purchase or otherwise acquire any Unsubscribed New Securities shall have the right to purchase or otherwise acquire that portion of the Unsubscribed New Securities which equals the proportion (the "**Unsubscribed Pro Rata**") that the number of Ordinary Shares (assuming full conversion and exercise of all convertible or exercisable securities of the Company held by such Fully Exercising Investor) then held by such Fully Exercising Investor bears to the total number of Ordinary Shares (assuming full conversion and exercise of all convertible or exercisable securities of the Company) then held by all Fully Exercising Investors who wish to purchase or otherwise acquire any Unsubscribed New Securities (with any Unsubscribed New Securities remaining after such initial calculation due to any Fully Exercising Investor not electing to purchase its full Unsubscribed Pro Rata being apportioned to the Fully Exercising Investors that elect to purchase more than their Unsubscribed Pro Rata on a prorated basis), unless another method of apportionment is mutually agreed to by the Fully Exercising Investors.

8.4 Sale by the Company. The Company may, during the sixty (60) day period following the expiration of the periods provided in Section 8.3 hereof, offer the remaining unsubscribed portion of the New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Issuance Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if the transactions contemplated by such agreement are not consummated within sixty (60) days of the execution of any such agreement, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Investors in accordance herewith.

8.5 Termination of Right of First Offer. The right of first offer set forth in this Section 8 shall terminate and be of no further force and effect upon the earliest to occur of: (i) immediately prior to the closing of a Qualified IPO or (ii) the date when the Company first becomes subject to the periodic reporting requirements of Sections 12(g) or 15(d) of the Exchange Act (or comparable requirements under the laws of another jurisdiction).

9. Miscellaneous.

9.1 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional Preferred Shares after the date hereof, any purchaser of such Preferred Shares may become a party to this Agreement by executing and delivering to the Company an additional counterpart signature page to this Agreement and thereafter shall be deemed an "Investor" for all purposes hereunder and Schedule A hereto shall be amended by the Company to add information regarding additional "Investors" and parties to this Agreement or to modify the information set forth therein.

9.2 Successors and Assigns. The provisions of this Agreement and the rights and obligations of the parties hereunder shall inure to the benefit of, and be binding upon, the respective successors and assigns of the parties. For the avoidance of doubt, this Agreement and the rights and obligations therein may be assigned or transferred by any Investor to its Affiliates. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

9.3 Governing Law. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of California, without regard to conflicts of laws principles.

9.4 Dispute Resolution.

(a) Any dispute, controversy or claim (each, a "**Dispute**") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "**Arbitration Notice**") to the other.

(b) The Dispute shall be settled by arbitration in San Francisco, California by the American Arbitration Association (the "**AAA**") in accordance with the UNCITRAL Arbitration Rules then in effect. There shall be one (1) arbitrator. The AAA's Administrative Review Council shall select the arbitrator, who shall be qualified to practice law in California.

(c) The arbitral proceedings shall be conducted in English. To the extent that the UNCITRAL Arbitration Rules are in conflict with the provisions of this Section, including the provisions concerning the appointment of the arbitrators, the provisions of this Section shall prevail.

(d) Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party.

(e) The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award.

(f) The arbitral tribunal shall decide any Dispute submitted by the parties to the arbitration strictly in accordance with the substantive laws of California (without regard to principles of conflict of laws thereunder) and shall not apply any other substantive law.

(g) Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal.

(h) During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

9.5 Publicity.

(a) None of the Company, its affiliates, the Investors or any of their respective representatives shall knowingly use the name of an Investor (or any Affiliate, affiliated entities, partners or employees of an Investor, nor any trade name, trademark, trade device, service mark, symbol or any abbreviation, contraction or simulation thereof owned by an Investor or any of its Affiliates (with respect to Hillhouse, including "**Hillhouse**", "高瓴", "**Gaoling**", "**Gao Ling**", "**Lei Zhang**", "张磊") in any written or oral communications to third parties (to the extent not previously issued or made in accordance with this Agreement), including marketing materials or, presentations, including and news releases, without the prior written consent of such Investor. For the avoidance of doubt, the Company and each other Investor shall be permitted to disclose, and each Investor consents to the disclosure of, such Investor's name and its investment in the Company (a) as requested by a governmental or similar authority or required by law, legal process, regulation (including filings for federal, foreign and state securities and other laws in connection with the offering of interests in and the making of investments by the Company) or the rules of any self-regulatory organization, (b) to third party service providers of the Company or its affiliates, including legal counsel, accountants, brokers, lenders or other counterparties or service providers in the ordinary course of the Company's business and to other participants in transactions or potential transactions with the Company and (c) to other investors (including prospective investors) in the Company or strategic partners or prospective acquirers of the Company; *provided, however*, that the Company agrees that it will not submit any portion of a filing under federal, foreign or state securities and other laws in connection with the offering of interests in and the making of investments by the Company that includes reference to an Investor and/or the director of the Company appointed by such Investor without first providing such Investor with a reasonable period in which to review such filing and implementing any reasonable comments provided by such Investor. Any press release issued by the Company, or any other public announcement made, on or after the Closing (as defined in the Purchase Agreement) shall not disclose or divulge any of the terms of the transactions contemplated by the Purchase Agreement, and the final form of any such press release shall be approved (such approval not to be unreasonably withheld, conditioned or delayed) in writing by the Investors holding a majority of the Series B Preferred Shares issued pursuant to the Purchase Agreement; provided, that the name of any Investor or any Affiliate of an Investor may not be issued in any such press release or public announcement without the prior written consent of such Investor (such consent not to be unreasonably withheld, conditioned or delayed).

(b) Notwithstanding the foregoing or anything to the contrary contained herein, the parties hereto acknowledge and agree that (a) the name "**Sequoia Capital**" is commonly used to describe a variety of entities (collectively, the "**Sequoia Entities**") that are affiliated by ownership or operational relationship and engaged in a broad range of activities related to investing and securities trading and (b) notwithstanding any other provision of this Agreement to the contrary, this Agreement shall not be binding on, or restrict the activities of, any (i) Sequoia Entity outside of the Sequoia China Sector Group, (ii) entity primarily engaged in investment and trading in the secondary securities market; (iii) the ultimate beneficial owner of an Sequoia Entity (or its general partner or ultimate general partner) who is a natural Person, and such Person's relatives (including but without limitation, such Person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law), (iv) any officer, director or employee of a Sequoia Entity (or its general partner or ultimate general partner) and such Person's relatives, and (v) for the avoidance of doubt, any portfolio companies of any Sequoia Entity and portfolio companies of any affiliated investment fund or investment vehicle of any Sequoia Entity. For purposes of the foregoing, the "**Sequoia China Sector Group**" means all Sequoia Entities (whether currently existing or formed in the future) that are principally focused on companies located in, or with connections to, the PRC that are exclusively managed by Sequoia Capital. Notwithstanding anything to the contrary set forth herein, this Section 9.5(b) may not be amended or waived without the prior written consent of SCC Venture VII Holdco I, Ltd.

(c) Notwithstanding the foregoing or anything to the contrary contained herein, the parties hereto acknowledge that certain of the Investors, including but not limited to Hillhouse, Sequoia, Eight Roads, F-Prime, BVF, TCG, LAV and Surveyor, are a professional investment fund or similar investment organization (each, a "**Fund Investor**"), and their respective Affiliates (including investment funds, persons or accounts under the management of each such Fund Investor or its respective Affiliates) engage in hedge fund investment and private equity investment businesses. Each Fund Investor and its Affiliates shall have the right to, and shall have no duty hereunder to refrain from, continue to carry on its normal course of business activities as professional investors. Such Fund Investor and its Affiliates may from time to time have information on or knowledge of a business opportunity that the Company or its subsidiaries are financially able to undertake, is from its nature in the line or lines of the Company's or its subsidiaries' existing or prospective business and is a practical advantage to it, and is one in which the Company or its subsidiaries have an interest or reasonable expectancy (the "**Business Opportunity**"). Such Business Opportunity may or may not be within the knowledge of the Preferred Director (as defined in the Articles) appointed by such Fund Investor (each, respectively, an "**Investor Director**"). The parties hereto agree, and shall procure that each of the Company and its subsidiaries agrees that the Investor Director(s) shall not be under any duty to disclose any Business Opportunity to the Company or its subsidiaries, or be under any duty to permit the Company or its subsidiaries to participate in any Business Opportunity, or to otherwise be under any duty to help the Company take advantage of any Business Opportunity, and hereby waives, to the extent permitted by applicable law, any claim based on the corporate opportunity doctrine or otherwise in any interest or expectancy of the Company in any Business Opportunity which interest or expectancy that could limit such Fund Investor's ability to benefit from information related to an actual or potential Business Opportunity or that would require such Fund Investor or its respective Investor Director to disclose any such Business Opportunity to the Company or its subsidiaries or offer any Business Opportunity to the Company or its subsidiaries, in each case, except to the extent such matter or opportunity is presented to, or acquired, created or developed by, or otherwise comes into the possession of, such Investor Director's capacity as a director of the Company; *provided,* however, that nothing in this Section 9.5(c) shall release (a) an Investor Director from any breach of his or her fiduciary duty to the Company, or (b) any such Fund Investor or its respective Investor Director from any breach of Section 7.3 hereof or improper use of any confidential information, knowledge or data concerning or relating to the business, corporate or financial affairs of the Company and its subsidiaries.

9.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

9.7 Notices. Any notice required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day 29 courier service, fax, electronic mail or similar means to the address as shown below the signature of such party on the signature page of this Agreement (or at such other address as such party may designate by ten (10) days' advance written notice to the other parties to this Agreement given in accordance with this Section 9.7). Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a confirmation of delivery, and to have been effected at the expiration of two (2) days after the letter containing the same is sent as aforesaid. Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be effected by properly addressing and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid.

9.8 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

9.9 Attorneys' Fees. If any dispute among the parties to this Agreement results in litigation, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including, without limitation, such reasonable fees and expenses of attorneys and accountants, that shall include, without limitation, all fees, costs and expenses of appeals.

9.10 Entire Agreement; Amendments and Waivers. This Agreement (including the Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with regard to the subject matter hereof. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holders of a majority of the then outstanding Registrable Securities; *provided*, *however*, that any purchaser of the Preferred Shares after the date hereof pursuant to the Purchase Agreement may become a party to this Agreement pursuant to Section 9.1 hereof without written consent of any Holder under this Section 9.10; *provided*, *further*, *however*, that any amendment or waiver that affects an Investor in a disproportionate and adverse manner than the effect of such amendment or waiver on any other Investor shall require the written consent of the Investor so disproportionately and adversely affected. Any amendment or waiver so effected shall be binding upon the Company, the Investors and all of their respective successors and assigns whether or not such party, successor or assignee entered into or approved such amendment or waiver.

9.11 Enforceability; Severability. The parties hereto agree that each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Agreement shall nevertheless be held to be prohibited by or invalid under applicable law, (a) such provision shall be effective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement and (b) the parties shall, to the extent permissible by applicable law, amend this Agreement, or enter into a voting trust agreement under which the Shares shall be transferred to the voting trust created thereby, so as to make effective and enforceable the intent of this Agreement.

9.12 Delays or Omissions: Remedies Cumulative. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party hereunder, upon any breach, default or noncompliance by another party under this Agreement, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on any party's part of any breach, default or noncompliance under the Agreement or any waiver on such party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to parties hereunder, shall be cumulative and not alternative.

9.13 Aggregation of Shares. All shares of Registrable Securities held or acquired by Affiliated entities (including Affiliated venture capital funds) or Persons shall be aggregated for the purpose of determining the availability of any rights under this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

COMPANY:

ShouTi Inc.

By: */s/ Raymond Stevens*
Name: Raymond Stevens
Title: Director

Address: 611 Gateway Blvd. Suite 223
South San Francisco, CA 94080

[ShouTi Inc. - Signature Page to Second Amended and Restated Investor Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

ERVC Healthcare IV, L.P.
By: ERVC Healthcare Advisors IV, L.P., its General Partner
By: Eight Roads GP as General Partner

By: */s/ Driaan Viljoen*
Name: Driaan Viljoen
Title: Director

Address:

c/o Eight Roads Capital Advisors (Hong Kong) Limited
Address: Suite 2201, Level 22,
Two Pacific Place,
88 Queensway, Admiralty,
Hong Kong
Attention: Mr. Daniel Auerbach
Telephone: +852 2629 2800
Fax: +852 2509 0371
E-mail: Daniel.Auerbach@eightroads.com

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

F-Prime Capital Partners Life Sciences Fund VI LP
By: F-Prime Capital Partners Life Sciences
Advisors Fund VI LP, its general partner
By: Impresa Holdings LLC, its general partner
By: Impresa Management LLC, its managing member

By: */s/ Mary Bevelock Pendergast*
Name: Mary Bevelock Pendergast
Title: Vice President

Address:

F-Prime Capital
1 Main Street – 13th Floor
Cambridge, MA 02142

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

SCC Venture VII Holdco I, Ltd

By: */s/ Ip Siu Wai Eva*
Name: Ip Siu Wai Eva
Title: Authorized Signatory

Address: Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands c/o Suite 3613, Two Pacific Place, 88 Queensway, Hong Kong

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

QIMING VENTURE PARTNERS VI, L.P.,
A Cayman Islands exempted limited partnership

By: QIMING GP VI, L.P. a Cayman Islands exempted limited partnership

Its: General Partner

By: QIMING CORPORATE GP VI, LTD, a Cayman Islands exempted company

Its: General Partner

By: */s/ Ryan Baker*
Its: Authorized Signatory

Signing Location: Lahaina, HI, USA

Signature of Witness: */s/ Kjersten Baker*

Name of Witness: Kjersten Baker

Registered Address:

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Notice Address:

11100 NE 8th Street
Suite 200
Bellevue, Washington 98004
Attention: Ryan Baker
Phone: (425) 709-0772
Fax: (425) 709-0798

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

QIMING MANAGING DIRECTORS FUND VI, L.P., a Cayman Islands exempted limited partnership

By: QIMING CORPORATE GP VI, LTD., a Cayman Islands exempted limited partnership

Its: General Partner

By: */s/ Ryan Baker*
Its: Authorized Signatory

Signing Location: Lahaina, HI, USA

Signature of Witness: */s/ Kjersten Baker*

Name of Witness: Kjersten Baker

Registered Address:

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Notice Address:

11100 NE 8th Street
Suite 200
Bellevue, Washington 98004
Attention: Ryan Baker
Phone: (425) 709-0772
Fax: (425) 709-0798

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

WaZi PharmaTech Healthcare Fund I L.P.

By: */s/ Edward Hu*
Edward Hu
Authorized Signatory

Address: 288 Fute Zhong Road,
Waigaoqiao Free Trade Zone, Shanghai
200131, China

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

XX-I SHT Holdings Limited

By: */s/ Colm John O'Connell*
Name: Colm John O'Connell
Title: Director

Address: 89 Nexus Way, Camana Bay, PO Box 31106, Grand Cayman KY1-1205, Cayman Islands

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

TF ShouTi Ltd.

By: */s/ Chiang Chen Hsiu-lien*
Name: Chiang Chen Hsiu-lien
Title: Director

Registered Address: Trinity Chambers, PO Box 4301, Road Town, Tortola, British Virgin Islands

Contact Address: Unit 705, Tower 1, 88 Keyuan Road, German Center, Pudong New District, Sanghai 201203, China
Att: Tingting Zhang
Email: tingting.zhang@tfcapital.net
Phone: 86 21 5019 8835

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

CG&H Investments, LLC

By: */s/ Jim Kindler*
Name: Jim Kindler
Title: Manager

Address: 3 Embarcadero Center, 20th Floor
San Francisco, CA 94111
USA

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

Schrödinger, Inc.

By: */s/ Ramy Farid*
Name: Ramy Farid
Title: President and Chief Executive Officer

Address: 120 West 45th Street, 17th Floor
New York, NY 10036

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

BIOTECHNOLOGY VALUE FUND, L.P.

By: */s/ Mark Lampert*
Name: Mark Lampert
Title: Chief Executive Officer, BVF I GP LLC, itself General Partner of Biotechnology Value Fund, L.P.

BIOTECHNOLOGY VALUE FUND II, L.P.

By: */s/ Mark Lampert*
Name: Mark Lampert
Title: Chief Executive Officer, BVF II GP LLC, itself General Partner of Biotechnology Value Fund II, L.P.

BIOTECHNOLOGY VALUE TRADING FUND OS, L.P.

By: */s/ Mark Lampert*
Name: Mark Lampert
Title: President BVF Inc., General Partner of BVF Partners L.P., itself sold member of BVF Partners OS Ltd., itself GP of Biotechnology Value Trading Fund OS, L.P.

Address: 44 Montgomery Street 40th Floor San Francisco CA 94104

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

TCG CROSSOVER FUND I, L.P.
By: TCG Crossover GP I, LLC
Its General Partner

By: */s/ Chen Yu*
Name: Chen Yu
Title: Managing Member

Address:

Jaime Felix
jfelix@tcgcrossover.com
228 Hamilton Avenue, 3rd Floor
Palo Alto, CA 94301

with a copy on all notices (which copies shall not constitute notice) to:

Foley & Lardner LLP
975 Page Mill Road
Palo Alto, CA 94304-1013
Attention: Louis Lehot
Email: llehot@foley.com

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

LAV Fund VI, L.P.

By: LAV GP VI, L.P.
Its General Partner
By: LAV Corporate VI GP, Ltd.
Its General Partner

By: */s/ Yu Luo*
Name: Yu Luo
Title: Authorized signatory

LAV Fund VI Opportunities, L.P.

By: LAV GP VI Opportunities, L.P.
Its General Partner
By: LAV Corporate VI GP Opportunities, Ltd.
Its General Partner

By: */s/ Yu Luo*
Name: Yu Luo
Title: Authorized signatory

Address: Room 606-7, St. George's Building,
2 Ice House Street, Central, Hong Kong
Phone number: +852 2303 0923
Email: LAV-USD-Finance@lavfund.com
Attention: LAV USD Finance

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

CITADEL MULTI-STRATEGY EQUITIES MASTER FUND LTD.
By: Citadel Advisors LLC, its portfolio manager

By: */s/ Michael Weiner*
Name: Michael Weiner
Title: Authorized signatory

Address:

c/o Citadel Advisors LLC
601 Lexington Avenue
New York, New York 10022
Attention: Harry Greenbaum
Harry.Greenbaum@citadel.com;
CitadelAgreementNotice@citadel.com;

With copies to:

Choate, Hall & Stewart, LLP
Two International Place
Boston, MA 02100
Attention: Brian P. Lenihan and Tobin P. Sullivan
blenihan@choate.com; tsullivan@choate.com

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

Cormorant Private Healthcare Fund IV, LP
By: Cormorant Private Healthcare GP, LLC

By: */s/ Bihua Chen*
Name: Bihua Chen
Title: Managing Member

Cormorant Global Healthcare Master Fund, LP
By: Cormorant Global Healthcare GP, LLC

By: */s/ Bihua Chen*
Name: Bihua Chen
Title: Managing Member

Address:
200 Clarendon Street 52nd Floor
Boston, MA 02116

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

Monashee Solitario Fund LP

By: */s/ Jeff Muller*
Name: Jeff Muller
Title: Authorized Signatory

DS Liquid Div RVA MON LLC

By: */s/ Jeff Muller*
Name: Jeff Muller
Title: Authorized Signatory

Address: c/o Monashee Investment
Management LLC, 75 Park Plaza, 2nd Floor,
Boston, MA 02116

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

CASDIN PARTNERS MASTER FUND, L.P.
By: Casdin Partners GP, LLC, its General Partner

By: */s/ Kevin O'Brien*
Name: Kevin O'Brien
Title: General Counsel

Address: 1350 Avenue of the Americas –
Suite 2600, New York, NY 10019
Attn: Fund Accounting
Email: fundacct@casdincapital.com

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

WOODLINE MASTER FUND, LP
By: Woodline Fund GP LLC, its General Partner

By: */s/ Matthew Hooker*
Name: Matthew Hooker
Title: Managing Member

Address: 4 Embarcadero Center, Suite 3450
San Francisco, CA 94111

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

Sage Partners Alpha 1 L.P.
By: Sage Partners Private Fund, as its General Partner

By: */s/ Wang Fei*
Name: Wang Fei
Title: Director

Address: Room 1801, 18/F, 1 Duddell Street,
Central, Hong Kong

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

Terra Magnum Fund I LP

By: */s/ Sha Wang*
Name: Sha Wang
Title: Partner

Address: 4701 Sangamore Rd, Ste 100N –
1018 Bethesda, MD 20816

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

Janus Henderson Emerging Markets Fund

By: Janus Capital Management LLC, its investment advisor

By: */s/ Daniel Grana*
Name: Daniel Grana
Title: Authorized Signatory

Janus Henderson Investment Fund Series I –
Janus Henderson Emerging Markets
Opportunities Fund

By: Janus Capital Management LLC, its investment advisor

By: */s/ Daniel Grana*
Name: Daniel Grana
Title: Authorized Signatory

Janus Henderson Fund – Janus Henderson
Emerging Markets Fund

By: Janus Capital Management LLC, its investment advisor

By: */s/ Daniel Grana*
Name: Daniel Grana
Title: Authorized Signatory

Address:
Janus Capital Management LLC
15 Detroit Street
Denver, CO 80206

Attn: Daniel Grana (Email:
daniel.grana@janushenderson.com)
Attn: Angela Morton (Email:
angela.morton@janushenderson.com)

with a copy, which shall not constitute notice, to:

Stradley Ronon Stevens & Young, LLP
2600 One Commerce Square
Philadelphia, PA 19103
Attn: Daniel C. Knox
Email: dknox@stradley.com

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

Bacara Holdings Limited

By: */s/ Marios Fotiadis*
Name: Marios Fotiadis
Title: Director

Address: Palm Jumeirah Frond D villa 38
PO Box 212735 Dubai, UAE
Email: marios@cerusadvisors.com

Panormos Holdings Limited

By: */s/ Salameh Sweis*
Name: Salameh Sweis
Title: Director

By: */s/ Philippe Audi*
Name: Philippe Audi
Title: Director

Address: c/o Levant Investment
Management Limited, 1903 South Tower,
Emirates Financial Towers, Dubai
International Financial Center, Dubai, UAE
Email: salameh.sweis@storkcapital.com and
philippe.audi@storkcapital.com

Philippe Audi

Email: philippe.audi@storkcapital.com
Address: c/o Levant Investment
Management Limited, 1903 South Tower,
Emirates Financial Towers, Dubai
International Financial Center, Dubai, UAE

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Investor Rights Agreement as of the date first above written.

INVESTOR:

Healthcare Innovation Investment Fund LLC

By: */s/ Joseph R. Gentile*
Name: Joseph R. Gentile
Title: Manager

Address: SVB Leerink, c/o Steven Heineman, General Counsel, One Federal St., 37th Floor, Boston MA 02110

SCHEDULE A

INVESTORS

ERVC Healthcare IV, L.P.

F-Prime Capital Partners Life Sciences Fund VI LP

SCC Venture VII Holdco I, Ltd.

Qiming Venture Partners VI, L.P.

Qiming Managing Directors Fund VI, L.P.

WuXi PharmaTech Healthcare Fund I L.P.

XX-I SHT Holdings Limited

TF ShouTi Ltd.

GC&H Investments, LLC

Schrödinger, Inc.

Biotechnology Value Fund, L.P.

Biotechnology Value Fund II, L.P.

Biotechnology Value Trading Fund OS, L.P.

TCG Crossover Fund I, L.P.

LAV Fund VI, L.P.

LAV Fund VI Opportunities, L.P.

Citadel Multi-Strategy Equities Master Fund Ltd.

Cormorant Private Healthcare Fund IV, LP

Cormorant Global Healthcare Master Fund, LP

Monashee Solitario Fund LP

DS Liquid Div RVA MON LLC

CASDIN PARTNERS MASTER FUND, L.P.

Woodline Master Fund, LP

Sage Partners Alpha 1 L.P.

Terra Magnum Fund I LP

Janus Henderson Emerging Markets Fund

Janus Henderson Investment Fund Series I Janus Henderson Emerging Markets Opportunities Fund

Janus Henderson Fund – Janus Henderson Emerging Markets Fund

Bacara Holdings Limited

Panormos Holding Limited

Philippe Audi

Healthcare Innovation Investment Fund LLC

Exhibit 10.2

U.S.

SHOUTI INC.

2019 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: APRIL 18, 2019
APPROVED BY THE SHAREHOLDERS: APRIL 18, 2019
TERMINATION DATE: APRIL 17, 2029

1. GENERAL.

(a) Eligible Share Award Recipients. Employees, Directors and Consultants are eligible to receive Share Awards.

(b) Available Share Awards. The Plan provides for the grant of the following types of Share Awards: (i) Options, (ii) Share Appreciation Rights, (iii) Restricted Share Awards, (iv) Restricted Share Unit Awards, and (v) Other Share Awards.

(c) Purpose. The Plan, through the granting of Share Awards, is intended to help the Company and its Affiliates to secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and provide means by which the eligible recipients may benefit from increases in value of the Ordinary Shares.

2. ADMINISTRATION.

(a) Administration by Board. The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (A) who will be granted Share Awards; (B) when and how each Share Award will be granted; (C) what type of Share Award will be granted; (D) the provisions of each Share Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Ordinary Shares under the Share Award; (E) the number of Ordinary Shares subject to a Share Award; and (F) the Fair Market Value applicable to a Share Award.

(ii) To construe and interpret the Plan and Share Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Share Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Share Award Agreement, in a manner and to the extent it will deem necessary or expedient to make the Plan or Share Award fully effective.

(iii) To settle all controversies regarding the Plan and Share Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which a Share Award may be exercised or vest (or at which cash or Ordinary Shares may be issued).

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or a Share Award Agreement, suspension or termination of the Plan will not impair a Participant's rights under his or her then-outstanding Share Award without his or her written consent except as provided in subsection (viii) below.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, subject to the limitations, if any, of applicable law. However, if required by applicable law, and except as provided in Section 9(a) relating to Capitalization Adjustments, the Company will seek shareholder approval of any amendment of the Plan that (A) materially increases the number of Ordinary Shares available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Share Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which Ordinary Shares may be issued or purchased under the Plan, (E) materially extends the term of the Plan, or (F) materially expands the types of Share Awards available for issuance under the Plan. Except as provided in the Plan (including subsection (viii) below) or a Share Award Agreement, no amendment of the Plan will impair a Participant's rights under an outstanding Share Award unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(vii) To submit any amendment to the Plan for shareholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 422 of the Code regarding Incentive Share Options.

(viii) To approve forms of Share Award Agreements for use under the Plan and to amend the terms of any one or more Share Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Share Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however,* that a Participant's rights under any Share Award will not be impaired by any such amendment unless (A) the Company requests the consent of the affected Participant, and (B) such Participant consents in writing. Notwithstanding the foregoing, (1) a Participant's rights will not be deemed to have been impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights, and (2) subject to the limitations of applicable law, if any, the Board may amend the terms of any one or more Share Awards without the affected Participant's consent (A) to maintain the tax qualified status of the Share Award (B) to clarify the manner of exemption from, or to bring the Share Award into compliance with, Section 409A or Section 457A of the Code; or (C) to comply with other applicable laws.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Share Awards.

(x) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for any executive officer of the Company to make immaterial modifications to the Plan or any Share Award Agreement that are required for compliance with the laws of the relevant foreign jurisdiction). Without limiting the generality of the foregoing, the Board specifically is authorized to adopt rules, procedures and subplans, regarding, without limitation, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of share issuances, which may vary according to local requirements.

(xi) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Share Award; (B) the cancellation of any outstanding Share Award and the grant in substitution therefor of a new (1) Option, (2) Share Appreciation Right, (3) Restricted Share Award, (4) Restricted Share Unit Award, (5) Other Share Award, (6) cash and/or (7) other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of Ordinary Shares as the cancelled Share Award and (y) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Committee may, at any time, abolish the subcommittee and/or revest in the Committee any powers delegated to the subcommittee. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(d) Delegation to an Officer. The Board may delegate to one (1) or more Officers the authority to do one or both of the following: (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Share Awards) and, to the extent permitted by applicable law, the terms of such Share Awards, and (ii) determine the number of Ordinary Shares to be subject to such Share Awards granted to such Employees; provided, however, that the Board resolutions regarding such delegation will specify the total number of Ordinary Shares that may be subject to the Share Awards granted by such Officer and that such Officer may not grant a Share Award to himself or herself. Any such Share Awards will be granted on substantially the form of Share Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value pursuant to Section 13(s) below.

(e) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. Shares Subject to the Plan.

(a) Share Reserve.

(i) Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate number of Ordinary Shares that may be issued pursuant to Share Awards from and after the Effective Date will not exceed 1,350,000 Ordinary Shares (the "***Share Reserve***"). For clarity, the Share Reserve in this Section 3(a) is a limitation on the number of Ordinary Shares that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Share Awards except as provided in Section 6(a).

(b) Reversion of Shares to the Share Reserve. If a Share Award or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such Share Award having been issued or (ii) is settled in cash (*i.e.*, the Participant receives cash rather than share), such expiration, termination or settlement will not reduce (or otherwise offset) the number of Ordinary Shares that may be available for issuance under the Plan. If any Ordinary Shares issued pursuant to a Share Award are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares that are forfeited or repurchased will revert to and again become available for issuance under the Plan. Any shares reacquired by the Company in satisfaction of tax withholding obligations on a Share Award or as consideration for the exercise or purchase price of a Share Award will again become available for issuance under the Plan.

(c) Source of Shares. The shares issuable under the Plan will be authorized but unissued or reacquired Ordinary Shares, including shares repurchased by the Company on the open market or otherwise.

4. Eligibility.

(a) Eligibility for Specific Share Awards. Share Awards may be granted to Employees, Directors and Consultants.

(b) Consultants. A Consultant will not be eligible for the grant of a Share Award if, at the time of grant, either the offer or sale of the Company's securities to such Consultant is not exempt under Rule 701 because of the nature of the services that the Consultant is providing to the Company, because the Consultant is not a natural person, or because of any other provision of Rule 701, unless the Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the Securities Act, as applicable, as well as comply with the securities laws of all other relevant jurisdictions**.**

5. Provisions Relating to Options and Share Appreciation Rights.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. The provisions of separate Options or SARs need not be identical; *provided, however*, that each Share Award Agreement for Options or SARs will conform to (through incorporation of provisions hereof by reference in the applicable Share Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. No Option or SAR will be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Share Award Agreement.

(b) Exercise Price. The exercise or strike price of each Option or SAR granted to a US Participant will be not less than one hundred percent (100%) of the Fair Market Value of the Ordinary Shares subject to the Option or SAR on the date the Share Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than one hundred percent (100%) of the Fair Market Value of the Ordinary Shares subject to the Share Award to a US Participant if such Share Award is granted pursuant to an assumption of or substitution for another option or share appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A of the Code and other applicable law. Each SAR will be denominated in Ordinary Share equivalents. The exercise or strike price of each Option or SAR granted to a Participant that is not a U.S. Participant shall be determined by the Board and shall comply with applicable laws. In addition, no Option or SAR may be granted with an exercise or strike price lower than the par value of the Ordinary Shares, if any.

(c) Purchase Price for Options. The purchase price of Ordinary Shares acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. Any Ordinary Shares that are not fully paid will be subject to the forfeiture provisions in the Company's memorandum and articles of association (as amended from time to time). The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft or money order payable to the Company;

(ii) pursuant to a program (developed under Regulation T as promulgated by the U.S. Federal Reserve Board or similar regulations in other applicable jurisdictions, if required for compliance with the laws of the relevant jurisdiction) that, prior to the issuance of the Ordinary Shares subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of Ordinary Shares;

(iv) if an Option is a Nonstatutory Share Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of Ordinary Shares issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; provided, however, that the Company will accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued. Ordinary Shares will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations;

(v) according to a deferred payment or similar arrangement with the Optionholder; *provided, however*, that interest will compound at least annually and will be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Optionholder under any applicable provisions of the Code, and (B) the classification of the Option as a liability for financial accounting purposes; or

(vi) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Share Award Agreement.

(d) Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Share Award Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of Ordinary Shares equal to the number of Ordinary Shares equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the aggregate strike price of the number of Ordinary Shares equivalents with respect to which the Participant is exercising the SAR on such date. The appreciation distribution may be paid in Ordinary Shares, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Share Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by Will or by the laws of descent and distribution (and pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. The Board may permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation 1.421-1(b)(2) or regulations in other applicable jurisdictions.

(iii) Beneficiary Designation. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, upon the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Ordinary Shares or other consideration resulting from such exercise. In the absence of such a designation, upon the death of the Participant, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Ordinary Shares or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) Vesting Generally. The total number of Ordinary Shares subject to an Option or SAR may vest and become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of performance goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of Ordinary Shares as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Share Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Share Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three (3) months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the applicable Share Award Agreement, which period will not be less than thirty (30) days if necessary to comply with applicable laws unless such termination is for Cause) and (ii) the expiration of the term of the Option or SAR as set forth in the Share Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(h) Extension of Termination Date. Except as otherwise provided in the applicable Share Award Agreement or other agreement between the Participant and the Company, if the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of Ordinary Shares would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of time (that need not be consecutive) equal to the applicable post termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Share Award Agreement. In addition, unless otherwise provided in a Participant's Share Award Agreement, if the sale of any Ordinary Shares received upon exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (i) the expiration of a period of time (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Ordinary Shares received upon exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Share Award Agreement.

(i) Disability of Participant. Except as otherwise provided in the applicable Share Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date twelve (12) months following such termination of Continuous Service (or such longer or shorter period specified in the Share Award Agreement, which period will not be less than six (6) months if necessary to comply with applicable laws), and (ii) the expiration of the term of the Option or SAR as set forth in the Share Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Share Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Share Award Agreement for exercisability after the termination of the Participant's Continuous Service (for a reason other than death), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date eighteen (18) months following the date of death (or such longer or shorter period specified in the Share Award Agreement, which period will not be less than six (6) months if necessary to comply with applicable laws), and (ii) the expiration of the term of such Option or SAR as set forth in the Share Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR (as applicable) will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in a Participant's Share Award Agreement or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

(l) Early Exercise of Options. An Option may, but need not, include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the Ordinary Shares subject to the Option prior to the full vesting of the Option.

(m) Right of Repurchase or Right of First Refusal. The Option or SAR may include a provision whereby the Company may elect to repurchase all or any part of the vested Ordinary Shares acquired by the Participant pursuant to the exercise of the Option or SAR. In addition, the Option or SAR may include a provision whereby the Company may elect to exercise a right of first refusal following receipt of notice from the Participant of the intent to transfer all or any part of the Ordinary Shares received upon the exercise of the Option or SAR. The terms of any repurchase right or right of first refusal will be specified in the Share Award Agreement. The repurchase price for vested Ordinary Shares will be the Fair Market Value of the Ordinary Shares on the date of repurchase. The repurchase price for unvested Ordinary Shares will be the lower of (i) the Fair Market Value of the Ordinary Shares on the date of repurchase or (ii) their original purchase price.

6. Provisions of Share Awards Other than Options and SARs.

(a) Restricted Share Awards. Each Restricted Share Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. To the extent consistent with the Company's memorandum and articles of association (as amended from time to time) and other constitutional and governance documents, at the Board's election, Ordinary Shares underlying a Restricted Share Award may be held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Share Award lapse; and may be evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Share Award Agreements may change from time to time, and the terms and conditions of separate Restricted Share Award Agreements need not be identical. Each Restricted Share Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Share Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Subject to the "Right of Repurchase" in Section 5(m), Ordinary Shares awarded under the Restricted Share Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(iii) Termination of Participant's Continuous Service. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right, any or all of the Ordinary Shares held by the Participant as of the date of termination of Continuous Service under the terms of the Restricted Share Award Agreement.

(iv) Transferability. Rights to acquire Ordinary Shares under the Restricted Share Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Share Award Agreement, as the Board will determine in its sole discretion, so long as Ordinary Shares awarded under the Restricted Share Award Agreement remains subject to the terms of the Restricted Share Award Agreement.

(v) Dividends. A Restricted Share Award Agreement may provide that any dividends paid on Restricted Shares will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Share Award to which they relate.

(b) Restricted Share Unit Awards. Each Restricted Share Unit Award Agreement will be in such form and will contain such terms and conditions as the Board deems appropriate. The terms and conditions of Restricted Share Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Share Unit Award Agreements need not be identical. Each Restricted Share Unit Award Agreement will conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Share Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each Ordinary Share subject to the Restricted Share Unit Award. The consideration to be paid (if any) by the Participant for each Ordinary Share subject to a Restricted Share Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Share Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Share Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment. A Restricted Share Unit Award may be settled by the delivery of Ordinary Shares, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Share Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Share Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the Ordinary Shares (or their cash equivalent) subject to a Restricted Share Unit Award to a time after the vesting of such Restricted Share Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of Ordinary Shares covered by a Restricted Share Unit Award, as determined by the Board and contained in the Restricted Share Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional Ordinary Shares covered by the Restricted Share Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Share Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Share Unit Award Agreement to which they relate.

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Share Unit Award Agreement, such portion of the Restricted Share Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(c) Other Share Awards. Other forms of Share Awards valued in whole or in part by reference to, or otherwise based on, Ordinary Shares, including the appreciation in value thereof (e.g., options or share rights with an exercise price or strike price less than one hundred percent (100%) of the Fair Market Value of the Ordinary Shares at the time of grant) may be granted either alone or in addition to Share Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Share Awards will be granted, the number of Ordinary Shares (or the cash equivalent thereof) to be granted pursuant to such Other Share Awards and all other terms and conditions of such Other Share Awards.

7. Covenants of the Company.

(a) Availability of Shares. The Company will keep available at all times the number of Ordinary Shares reasonably required to satisfy then-outstanding Share Awards.

(b) Securities Law Compliance. The Company will use commercially reasonable efforts to seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Share Awards and to issue and sell Ordinary Shares upon exercise of the Share Awards; *provided, however,* that this undertaking will not require the Company to register the Plan, any Share Award or any Ordinary Shares issued or issuable pursuant to any such Share Award under the Securities Act or other applicable securities regulatory scheme. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Ordinary Shares under the Plan, the Company will be relieved from any liability for failure to issue and sell Ordinary Shares upon exercise of such Share Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of a Share Award or the subsequent issuance of cash or Ordinary Shares pursuant to the Share Award if such grant or issuance would be in violation of any applicable securities law or any other applicable law or regulation.

(c) No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Share Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of a Share Award or a possible period in which the Share Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of a Share Award to the holder of such Share Award.

8. MISCELLANEOUS.

(a) Use of Proceeds from Sales of Ordinary Share. Proceeds from the sale of Ordinary Shares pursuant to Share Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Share Awards. Corporate action constituting a grant by the Company of a Share Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Share Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Share Award Agreement as a result of a clerical error in the papering of the Share Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Share Award Agreement.

(c) Shareholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Ordinary Shares subject to a Share Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of Ordinary Shares under, the Share Award pursuant to its terms, and (ii) the issuance of the Ordinary Shares subject to the Share Award has been entered into the books and records of the Company and the register of members of the Company has been accordingly updated.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Share Award Agreement or any other instrument executed thereunder or in connection with any Share Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Share Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Company's memorandum and articles of association (as amended from time to time) and other constitutional and governance documents of the Company or an Affiliate, and any provisions of the applicable laws of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.

(e) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Ordinary Shares under any Share Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Share Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Ordinary Shares subject to the Share Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Ordinary Shares. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares upon the exercise or acquisition of Ordinary Shares under the Share Award has been registered under a then currently effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws or other applicable laws. The Company may, upon advice of counsel to the Company, place legends on share certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws or other applicable laws, including, but not limited to, legends restricting the transfer of the Ordinary Shares.

(f) Withholding Obligations. Unless prohibited by the terms of a Share Award Agreement, the Company may, in its sole discretion, satisfy any tax withholding obligation relating to a Share Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding Ordinary Shares from the Ordinary Shares issued or otherwise issuable to the Participant in connection with the Share Award; *provided, however*, that no Ordinary Shares are withheld with a value exceeding the minimum amount of tax required to be withheld by law (or such lesser amount as may be necessary to avoid classification of the Share Award as a liability for financial accounting purposes); (iii) withholding cash from a Share Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) which may be set forth in the Share Award Agreement.

(g) Electronic Delivery. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(h) Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Ordinary Shares or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Share Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. The Board is authorized to make deferrals of Share Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

9. Adjustments upon Changes in Ordinary Share; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Share Options pursuant to Section 11(a)(i), and (iii) the class(es) and number of securities and price per share of shares subject to outstanding Share Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Share Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Share Awards (other than Share Awards consisting of vested and outstanding Ordinary Shares not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the Ordinary Shares subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Share Award is providing Continuous Service, *provided, however,* that the Board may, in its sole discretion, cause some or all Share Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Share Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transactions. The following provisions will apply to Share Awards in the event of a Transaction unless otherwise provided in the Share Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of a Share Award. In the event of a Transaction, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to Share Awards, contingent upon the closing or completion of the Transaction:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Share Award or to substitute a similar share award for the Share Award (including, but not limited to, an award to acquire the same consideration paid to the shareholders of the Company pursuant to the Transaction);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Ordinary Shares issued pursuant to the Share Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Share Award (and, if applicable, the time at which the Share Award may be exercised) to a date prior to the effective time of such Transaction as the Board determines (or, if the Board does not determine such a date, to the date that is five (5) days prior to the effective date of the Transaction), with such Share Award terminating if not exercised (if applicable) at or prior to the effective time of the Transaction; provided, however, that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Transaction, which exercise is contingent upon the effectiveness of such Transaction;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Share Award;

(v) cancel or arrange for the cancellation of the Share Award, to the extent not vested or not exercised prior to the effective time of the Transaction, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Share Award immediately prior to the effective time of the Transaction, over (B) any exercise price payable by such holder in connection with such exercise. For clarity, this payment may be zero ($0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of the Company's Ordinary Shares in connection with the Transaction is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.

The Board need not take the same action or actions with respect to all Share Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of a Share Award.

(d) 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 the Share Award Agreement for such Share Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur.

10. Plan Term; Earlier Termination or Suspension of the Plan.

(a) Plan Term. The Board may suspend or terminate the Plan at any time. Unless terminated sooner by the Board, the Plan will automatically terminate on the day before the tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board, or (ii) the date the Plan is approved by the shareholders of the Company. No Share Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) No Impairment of Rights. Suspension or termination of the Plan will not impair rights and obligations under any Share Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

11. Additional Provisions Applicable to US Participants.

(a) Incentive Share Options.

(i) Subject to Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of Ordinary Shares that may be issued pursuant to the exercise of Incentive Share Options will be the Share Reserve.

(ii) Incentive Share Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and (f) of the Code).

(iii) A Ten Percent Shareholder shall not be granted an Incentive Share Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant or such shorter period specified in the Share Award Agreement. "***Ten Percent Shareholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any Affiliate.

(iv) To the extent that the aggregate Fair Market Value (determined at the time of grant) of Ordinary Shares with respect to which Incentive Share Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds one hundred thousand dollars ($100,000) (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Share Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Share Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(b) Compliance with Section 409A of the Code. To the extent that the Board determines that any Share Award granted hereunder is subject to Section 409A of the Code, the Share Award Agreement evidencing such Share Award shall incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code. To the extent applicable, the Plan and Share Award Agreements shall be interpreted in accordance with Section 409A of the Code.

12. Choice of Law.

(a) Governing Law and Jurisdiction. The laws of the Cayman Islands will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules and the courts of the Cayman Islands will have exclusive jurisdiction to determine all questions concerning the construction, validity and interpretation of this Plan.

13. Definitions. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***Affiliate***" means, at the time of determination, any Subsidiary and any "parent corporation" or "subsidiary corporation" of the Company, as such terms are defined in Sections 424(e) and (f) of the Code. The Board will have the authority to determine the time or times at which "parent corporation" or "subsidiary corporation" status is determined within the foregoing definition.

(b) "***Board***" means the Board of Directors of the Company.

(c) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Ordinary Shares subject to the Plan or subject to any Share Award after the Effective Date without the receipt of consideration by the Company 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. Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(d) "***Cause***" will have the meaning ascribed to such term in any written agreement between the Participant and the Company or any Affiliate defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of any applicable jurisdiction; (ii) such Participant's attempted commission of, or participation in, a fraud or act of dishonesty against the Company or any Affiliate; (iii) such Participant's intentional, material violation of any contract or agreement between the Participant and the Company or any Affiliate or of any statutory duty owed to the Company or any Affiliate; (iv) such Participant's unauthorized use or disclosure of the Company's or any Affiliate's confidential information or trade secrets; or (v) such Participant's gross misconduct. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Board, in its sole discretion. Any determination by the Board that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Share Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or any Affiliate or such Participant for any other purpose.

(e) "***Change in Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(ii) the shareholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company will otherwise occur, except for a liquidation into a parent corporation; or

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are Owned by shareholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition.

Notwithstanding the foregoing definition or any other provision of this Plan, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Share Awards subject to such agreement; *provided, however,* that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply.

(f) "***Code***" means the United States Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(g) "***Committee***" means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(h) "***Company***" means ShouTi Inc., an exempted company incorporated in the Cayman Islands.

(i) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director or as a member of the board of directors of an Affiliate, or payment of a fee for such service, will not cause a person to be considered a "Consultant" for purposes of the Plan.

(j) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided, however*, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director or a member of the board of directors of an Affiliate will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in a Share Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law.

(k) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least ninety percent (90%) of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the Ordinary Shares outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(l) "***Director***" means a member of the Board.

(m) "***Disability***" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(n) "***Effective Date***" means the effective date of this Plan, which is the earlier of (i) the date that this Plan is first approved by the Company's shareholders, and (ii) the date this Plan is adopted by the Board.

(o) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director or as a member of the board of directors of an Affiliate, or payment of a fee for such services, will not cause a person to be considered an "Employee" for purposes of the Plan.

(p) "***Entity***" means a corporation, partnership, limited liability company or other entity.

(q) "***Exchange Act***" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(r) "***Fair Market Value***" means, as of any date, the value of the Ordinary Shares determined by the Board.

(s) "***Incentive Share Option***" means an Option that is intended to be, and that qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(t) "***Nonstatutory Share Option***" means any Option that does not qualify as an "incentive stock option" within the meaning of Section 422 of the Code.

(u) "***Officer***" means any person designated by the Company as an officer.

(v) "***Option***" means an option to purchase Ordinary Shares granted pursuant to the Plan.

(w) "***Option Agreement***" means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

(x) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(y) "***Ordinary Shares***" means ordinary shares par value US$0.0001 each in the Company.

(z) "***Other Share Award***" means an award based in whole or in part by reference to the Ordinary Shares which is granted pursuant to the terms and conditions of Section 6(c).

(aa) "***Other Share Award Agreement***" means a written agreement between the Company and a holder of an Other Share Award evidencing the terms and conditions of an Other Share Award grant. Each Other Share Award Agreement will be subject to the terms and conditions of the Plan.

(bb) "***Own***," "***Owned***," "***Owner***," "***Ownership***" **means** a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(cc) "***Participant***" means a person to whom a Share Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Share Award.

(dd) "***Plan***" means this ShouTi Inc. 2019 Equity Incentive Plan.

(ee) "***Restricted Share Award***" means an award of Ordinary Shares which is granted pursuant to the terms and conditions of Section 6(a).

(ff) "***Restricted Share Award Agreement***" means a written agreement between the Company and a holder of a Restricted Share Award evidencing the terms and conditions of a Restricted Share Award grant. Each Restricted Share Award Agreement will be subject to the terms and conditions of the Plan.

(gg) "***Restricted Share Unit Award***" means a right to receive Ordinary Shares which is granted pursuant to the terms and conditions of Section 6(b).

(hh) "***Restricted Share Unit Award Agreement***" means a written agreement between the Company and a holder of a Restricted Share Unit Award evidencing the terms and conditions of a Restricted Share Unit Award grant. Each Restricted Share Unit Award Agreement will be subject to the terms and conditions of the Plan.

(ii) "***Rule 405***" means Rule 405 promulgated under the Securities Act.

(jj) "***Rule 701***" means Rule 701 promulgated under the Securities Act.

(kk) "***Securities Act***" means the United States Securities Act of 1933, as amended.

(ll) "***Share Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Ordinary Shares that is granted pursuant to the terms and conditions of Section 5.

(mm) "***Share Appreciation Right Agreement***" means a written agreement between the Company and a holder of a Share Appreciation Right evidencing the terms and conditions of a Share Appreciation Right grant. Each Share Appreciation Right Agreement will be subject to the terms and conditions of the Plan.

(nn) "***Share Award***" means any right to receive Ordinary Shares granted under the Plan, including an Option, a Restricted Share Award, a Restricted Share Unit Award, a Share Appreciation Right or any Other Share Award.

(oo) "***Share Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a Share Award grant. Each Share Award Agreement will be subject to the terms and conditions of the Plan.

(pp) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital share having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, share of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%) .

(qq) "***Transaction***" means a Corporate Transaction or a Change in Control.

(rr) "***US***" means the United States.

(ss) "***US Participant***" means a Participant that is either a US resident or a US taxpayer.

SHOUTI INC.
OPTION GRANT NOTICE
(2019 EQUITY INCENTIVE PLAN)

ShouTi Inc. (the "***Company***"), pursuant to its 2019 Equity Incentive Plan (the "***Plan***"), hereby grants to Optionholder an option to purchase the number of shares in the capital of the Company set forth below (this "***Option***"). This Option is subject to all of the terms and conditions as set forth herein and in the US Option Agreement, the Plan, and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the US Option Agreement will have the same definitions as in the Plan or the US Option Agreement. If there is any conflict between the terms herein and the Plan, the terms of the Plan will control.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Ordinary Shares Subject to Option:	_____
Exercise Price (US$ Per Share):	_____
Total Exercise Price (US$):	_____
Expiration Date:	_____

Type of Grant: ☐ Incentive Share Option[1] ☐ Nonstatutory Share Option

Exercise Schedule: ☐ Same as Vesting Schedule ☐ Early Exercise Permitted

Vesting Schedule: [EXAMPLE: 25% of the shares shall vest on the first anniversary of the Vesting Commencement Date; the balance of the shares vest in a series of thirty-six (36) successive equal monthly installments measured from the first anniversary of the Vesting Commencement Date, provided that the Optionholder continues to provide Continuous Services (as defined in the Plan) to the Company as of any each relevant vesting date.]

Payment: By one or a combination of the following methods (as such methods are described in the US Option Agreement):

☒ By cash or check
☐ Pursuant to a Regulation T Program if the Shares are publicly traded
☐ By delivery of already-owned shares if the Shares are publicly traded
☐ By net exercise[2]

Additional Terms/Acknowledgements: The undersigned Optionholder acknowledges receipt of, and understands and agrees to, this Option Grant Notice, the US Option Agreement and the Plan. Optionholder acknowledges and agrees that this Option Grant Notice and the US Option Agreement may not be modified, amended or revised except in writing signed by Optionholder and a duly authorized officer of the Company. Optionholder further acknowledges that as of the Date of Grant, this Option Grant Notice, the US Option Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding the acquisition of shares of the Company and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) options previously granted and delivered to Optionholder under the Plan, and (ii) the agreement between the Optionholder and the Company listed below only.

OTHER AGREEMENTS: _____

SHOUTI INC.	**OPTIONHOLDER:**
By: _____	_____
Name:	Signature
Title:	
Date: _____	Date: _____

ATTACHMENTS: US Option Agreement, 2019 Equity Incentive Plan and Notice of Exercise

[1] If this is an Incentive Share Option, it (plus other outstanding Incentive Share Options) cannot be first exercisable for more than US$100,000 in value (measured by exercise price) in any calendar year. Any excess over US$100,000 is a Nonstatutory Share Option.

[2] An Incentive Share Option may not be exercised by a net exercise arrangement.

ATTACHMENT I

SHOUTI INC.
2019 EQUITY INCENTIVE PLAN

US OPTION AGREEMENT

Pursuant to your Option Grant Notice ("***Grant Notice***") and this US Option Agreement, ShouTi Inc. (the "***Company***") has granted you an Option under its 2019 Equity Incentive Plan (the "***Plan***") to purchase the number of Ordinary Shares indicated in your Grant Notice at the exercise price indicated in your Grant Notice. The Option is granted to you effective as of the date of grant set forth in the Grant Notice (the "***Date of Grant***"). If there is any conflict between the terms in this US Option Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this US Option Agreement or in the Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your Option, in addition to those set forth in the Grant Notice and the Plan, are as follows:

VESTING. Your Option will vest as provided in your Grant Notice. Vesting will cease upon the termination of your Continuous Service.

NUMBER OF SHARES AND EXERCISE PRICE. The number of Ordinary Shares subject to your Option and your exercise price per share in your Grant Notice will be adjusted for Capitalization Adjustments.

EXERCISE RESTRICTION FOR NON-EXEMPT EMPLOYEES. If you are an Employee eligible for overtime compensation under the Fair Labor Standards Act of 1938, as amended (that is, a "***Non-Exempt Employee***"), and except as otherwise provided in the Plan, you may not exercise your Option until you have completed at least six (6) months of Continuous Service measured from the Date of Grant.

EXERCISE PRIOR TO VESTING ("EARLY EXERCISE"). If permitted in your Grant Notice (*i.e.*, the "Exercise Schedule" indicates "Early Exercise Permitted") and subject to the provisions of your Option, you may elect at any time that is both (i) during the period of your Continuous Service and (ii) during the term of your Option, to exercise all or part of your Option, including the unvested portion of your Option; *provided, however,* that:

a partial exercise of your Option will be deemed to cover first vested Ordinary Shares and then the earliest vesting installment of unvested Ordinary Shares;

any Ordinary Shares so purchased from installments that have not vested as of the date of exercise will be subject to the purchase option in favor of the Company as described in the Company's form of Early Exercise Share Purchase Agreement;

you will enter into the Company's form of Early Exercise Share Purchase Agreement with a vesting schedule that will result in the same vesting as if no early exercise had occurred; and

if your Option is an Incentive Share Option, then, to the extent that the aggregate Fair Market Value (determined at the Date of Grant) of the Ordinary Shares with respect to which your Option plus all other Incentive Share Options you hold are exercisable for the first time by you during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars ($100,000), your Option(s) or portions thereof that exceed such limit (according to the order in which they were granted) will be treated as Nonstatutory Share Options.

Method of Payment. You must pay the full amount of the exercise price for the shares you wish to exercise. You may pay the exercise price in cash or by check, bank draft or money order payable to the Company or in any other manner permitted by your Grant Notice**,** which may include one or more of the following:

Provided that at the time of exercise the Ordinary Shares are publicly traded, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Ordinary Shares, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a "broker-assisted exercise", "same day sale", or "sell to cover".

Provided that at the time of exercise the Ordinary Shares are publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned Ordinary Shares that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your Option, will include delivery to the Company of your attestation of ownership of such Ordinary Shares in a form approved by the Company. You may not exercise your Option by delivery to the Company of Ordinary Shares if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's shares.

If this Option is a Nonstatutory Share Option, subject to the consent of the Company at the time of exercise, by a "net exercise" arrangement pursuant to which the Company will reduce the number of Ordinary Shares issued upon exercise of your Option by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price. You must pay any remaining balance of the aggregate exercise price not satisfied by the "net exercise" in cash or other permitted form of payment. Ordinary Shares will no longer be outstanding under your Option and will not be exercisable thereafter if those shares (i) are used to pay the exercise price pursuant to the "net exercise," (ii) are delivered to you as a result of such exercise, and (iii) are withheld to satisfy your tax withholding obligations.

Whole Shares. You may exercise your Option only for a whole number of Ordinary Shares.

Securities Law Compliance. In no event may you exercise your Option unless the Ordinary Shares issuable upon such exercise are then registered under the Securities Act or under the applicable laws of another jurisdiction under which such securities may be listed, or if not registered, the Company has determined that such exercise and the issuance of the shares would be exempt from the registration requirements of the Securities Act. The exercise of your Option also must comply with all other applicable laws and regulations governing your Option, including those of the United States, the Cayman Islands and your country of residence, and you may not exercise your Option if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treas. Reg. 1.401(k)-1(d)(3), if applicable). You understand that the Company is under no obligation to register or qualify the Ordinary Shares with any securities commission (including U.S. Securities and Exchange Commission) or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, you agree that the Company shall have unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

Term. You may not exercise your Option before the Date of Grant or after the expiration of the Option's term. The term of your Option expires, subject to the provisions of Section 5(h) of the Plan, upon the earliest of the following:

immediately upon the termination of your Continuous Service for Cause;

three (3) months after the termination of your Continuous Service for any reason other than Cause, your Disability or your death (except as otherwise provided in Section 8(d) below); *provided, however,* that if during any part of such three (3) month period your Option is not exercisable solely because of the condition set forth in the Section above relating to "Securities Law Compliance," your Option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service; *provided further,* if (i) you are a Non-Exempt Employee, (ii) your Continuous Service terminates within six (6) months after the Date of Grant, and (iii) you have vested in a portion of your Option at the time of your termination of Continuous Service, your Option will not expire until the earlier of (x) the later of (A) the date that is seven (7) months after the Date of Grant, and (B) the date that is three (3) months after the termination of your Continuous Service, and (y) the Expiration Date;

twelve (12) months after the termination of your Continuous Service due to your Disability (except as otherwise provided in Section 8(d)) below;

eighteen (18) months after your death if you die either during your Continuous Service

within three (3) months after your Continuous Service terminates for any reason other than Cause or your death or Disability;

the Expiration Date indicated in your Grant Notice; or

the day before the tenth (10th) anniversary of the Date of Grant.

If your Option is an Incentive Share Option, note that to obtain the federal income tax advantages associated with an Incentive Share Option, the Code requires that at all times beginning on the Date of Grant and ending on the day three (3) months before the date of your Option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. The Company has provided for extended exercisability of your Option under certain circumstances for your benefit but cannot guarantee that your Option will necessarily be treated as an Incentive Share Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you otherwise exercise your Option more than three (3) months after the date your employment with the Company or an Affiliate terminates.

EXERCISE.

You may exercise the vested portion of your Option (and the unvested portion of your Option if your Grant Notice so permits) during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the exercise price and any applicable withholding taxes to the Company's Secretary, share plan administrator, or such other person as the Company may designate, together with such additional documents as the Company may then require.

By exercising your Option you agree that, as a condition to any exercise of your Option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of your Option, (ii) the lapse of any substantial risk of forfeiture to which the Ordinary Shares are subject at the time of exercise, or (iii) the disposition of Ordinary Shares acquired upon such exercise.

If your Option is an Incentive Share Option, by exercising your Option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the Ordinary Shares issued upon exercise of your Option that occurs within two (2) years after the Date of Grant or within one (1) year after such Ordinary Shares are transferred upon exercise of your Option.

By exercising your Option you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any Ordinary Shares or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or under the applicable laws of another jurisdiction under which such securities may be listed or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation (the "***Lock-Up Period***"); *provided, however*, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or any underwriters of the Company's shares that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Ordinary Shares until the end of such period. You also agree that any transferee of any Ordinary Shares or other securities) of the Company held by you will be bound by this Section 9(d). The underwriters of the Company's shares are intended third party beneficiaries of this Section 9(d) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

You agree, with effect from the date of the exercise of your Option, to be bound by the terms of any and all Shareholders Agreements as if the same were set forth herein and will observe and discharge the terms and conditions of such Shareholders Agreements in all respects as if you had been a party thereto, and you shall be deemed to be comprised in the expressions "the holder of Ordinary Shares" and the "parties" as therein mentioned. By exercising your Option you agree that, as a condition to any exercise of your Option, the Company may require you to execute and deliver a deed of adherence to any Shareholders Agreement and require you to represent and warrant that you have the capacity to enter into, exercise your rights and lawfully perform and comply with the terms of any Shareholders Agreement; and that your obligations under any Shareholders Agreement are valid and binding upon you. The agreement set forth in this Section 9(e) is supplemental to and, except only where the context does not so admit, shall be construed as one and interpreted in accordance with any Shareholders Agreement and subject only to the agreements and variations herein expressly agreed and declared. All other conditions, covenants, provisions, powers and terms contained or subsisting in any Shareholders Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the agreements and variations herein were inserted therein by way of addition or substitution, as the case may be, and nothing herein shall affect or impair any Shareholders Agreement or its enforceability. For purposes of this US Option Agreement, the "***Shareholders Agreement(s)***" shall mean any and all agreements between the Company and all or certain shareholders of the Company that may be entered into from time to time, and/or one or more agreements among the Company, you and other parties thereto in such form determined from time to time by the Company in its sole discretion, that include terms and conditions that provide or impose in respect of the Company and/or any shareholders restrictions and obligations with respect to the transfer or voting of equity securities of the Company and such other terms and conditions as the Board may require, if any, including any amendment or supplement to or restatement of any such agreement from time to time.

Transferability. Except as otherwise provided in this Section 10, your Option is not transferable, except by Will or by the laws of descent and distribution, and is exercisable during your life only by you.

Certain Trusts. Upon receiving written permission from the Board or its duly authorized designee, you may transfer your Option to a trust if you are considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable state law) while the Option is held in the trust. You and the trustee must enter into transfer and other agreements required by the Company.

Domestic Relations Orders. Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your Option pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation 1.421-1(b)(2) that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this Option with the Company prior to finalizing the domestic relations order or marital settlement agreement to help ensure the required information is contained within the domestic relations order or marital settlement agreement. If this Option is an Incentive Share Option, this Option may be deemed to be a Nonstatutory Share Option as a result of such transfer.

Beneficiary Designation. Upon receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise this Option and receive the Ordinary Shares or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate will be entitled to exercise this Option and receive, on behalf of your estate, the Ordinary Shares or other consideration resulting from such exercise.

Right of First Refusal. Ordinary Shares that you acquire upon exercise of your Option are subject to any right of first refusal that may be described in the Company's memorandum or articles of association or other constitutional or governance documents (including any Shareholders Agreement) in effect at such time the Company elects to exercise its right. Any Company right of first refusal will expire on the first date upon which then Ordinary Shares (or any other securities issued in exchange for or upon conversion of the Ordinary Shares) is listed (or approved for listing) upon notice of issuance on a national securities exchange or quotation system.

Right of Repurchase. To the extent provided in the Company's memorandum or articles of association or other constitutional or governance documents (including any Shareholders Agreement) in effect at such time the Company elects to exercise its right, the Company will have the right to repurchase all or any part of the Ordinary Shares you acquire pursuant to the exercise of your Option.

Option not a Service Contract. Your Option is not an employment or service contract, and nothing in your Option will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of, or as a provider of services to, the Company or an Affiliate, or of the Company or an Affiliate to continue your employment or to continue to engage you to provide services. In addition, nothing in your Option will obligate the Company or an Affiliate, their respective shareholders, boards of directors, officers or employees to continue any relationship that you might have as a Director or, a member of the board of directors of, or a Consultant, for the Company or an Affiliate.

Withholding Obligations.

At the time you exercise your Option, in whole or in part, and at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "same day sale" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of your Option.

If this Option is a Nonstatutory Share Option, then upon your request and subject to approval by the Company, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested Ordinary Shares otherwise issuable to you upon the exercise of your Option a number of whole Ordinary Shares hare having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of your Option as a liability for financial accounting purposes). If the date of determination of any tax withholding obligation is deferred to a date later than the date of exercise of your Option, share withholding pursuant to the preceding sentence shall not be permitted unless you make a proper and timely election under Section 83(b) of the Code, covering the aggregate number of Ordinary Shares acquired upon such exercise with respect to which such determination is otherwise deferred, to accelerate the determination of such tax withholding obligation to the date of exercise of your Option. Notwithstanding the filing of such election, Ordinary Shares shall be withheld solely from fully vested Ordinary Shares determined as of the date of exercise of your Option that are otherwise issuable to you upon such exercise. Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

You may not exercise your Option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your Option when desired even though your Option is vested, and the Company will have no obligation to issue any Ordinary Shares (or any certificate therefor) or release such Ordinary Shares from any escrow provided for herein, if applicable, unless such obligations are satisfied.

Tax Consequences. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from your Option or your other compensation. In particular, you acknowledge that this Option is exempt from Section 409A of the Code only if the exercise price per share specified in the Grant Notice is at least equal to the "fair market value" per Ordinary Share on the Date of Grant and there is no other impermissible deferral of compensation associated with the Option. Because the Ordinary Shares are not traded on an established securities market, the Fair Market Value is determined by the Board, perhaps in consultation with an independent valuation firm retained by the Company. You acknowledge that there is no guarantee that the Internal Revenue Service will agree with the valuation as determined by the Board, and you will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that the valuation determined by the Board is less than the "fair market value" as subsequently determined by the Internal Revenue Service.

Personal Data. You understand that your Employer, if applicable, the Company, and/or its Affiliates hold certain personal information about you, including but not limited to your name, home address, telephone number, date of birth, social security or equivalent tax identification number, salary, nationality, job title, and details of your Option (the ***"Personal Data"***). Certain Personal Data may also constitute ***"Sensitive Personal Data"*** or similar classification under applicable local law and be subject to additional restrictions on collection, processing and use of the same under such laws. Such data include but are not limited to Personal Data and any changes thereto, and other appropriate personal and financial data about you. You hereby provide express consent to the Company or its Affiliates to collect, hold, and process any such Personal Data and Sensitive Personal Data. You also hereby provide express consent to the Company and/or its Affiliates to transfer any such Personal Data and Sensitive Personal Data outside the country in which you are employed or retained, including transfers to the United States. The legal persons for whom such Personal Data are intended are the Company, any broker company, registered office provider, or professional adviser providing services to the Company in connection with the administration of the Plan or the Company. You have been informed of your right to access and correct your Personal Data and/or Sensitive Personal Data by applying to the Company representative identified on the Grant Notice.

Additional Acknowledgements. You hereby consent and acknowledge that:

Participation in the Plan is voluntary and therefore you must accept the terms and conditions of the Plan and this US Option Agreement as a condition to participating in the Plan and receipt of your Option.

The Plan is discretionary in nature and the Company can amend, cancel, or terminate it at any time in its sole discretion.

Your Option and any other Share Awards under the Plan are voluntary and occasional and do not create any contractual or other right to receive future awards or other benefits in lieu of future awards, even if similar awards have been granted repeatedly in the past.

All determinations with respect to any such future awards, including, but not limited to, the time or times when such awards are made, the size of such awards and performance and other conditions applied to the awards, will be at the sole discretion of the Company.

The value of your Option is an extraordinary item of compensation, which is outside the scope of your employment, service contract or consulting agreement, if any. This Share Award shall not form part of any past, current or future entitlement to remuneration or benefits which you may have under any contract of employment, service contract or consulting agreement with the Company or Affiliate nor form any part of any such contract of employment, service contract or consulting agreement between you and the Company or any Affiliate.

Your Option, and any income derived therefrom are a potential bonus payment not paid in lieu of any cash salary compensation and not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, life or accident insurance benefits, pension or retirement benefits or similar payments.

In the event of the involuntary termination of your Continuous Service, your eligibility to receive payments under this Share Award or the Plan in respect of the unvested portion of your Share Award, if any, will terminate effective as of the date that you are no longer actively employed or retained regardless of any reasonable notice period mandated under local law, except as expressly provided in this US Option Agreement.

The future value of your Option is unknown and cannot be predicted with certainty. You do not have, and will not assert, any claim or entitlement to compensation, indemnity or damages arising from the termination of your Option or diminution in value of your Option and you irrevocably release the Company, its Affiliates and, if applicable, your Employer, if different from the Company or any Affiliate, from any such claim that may arise.

For purposes of this US Option Agreement, your Continuous Service will be considered terminated as of the date you are no longer actively providing services to the Company or an Affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and unless otherwise expressly provided in the Agreement or determined by the Company, (i) your right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, your period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and (ii) the period (if any) during which you may exercise the Option after such termination of your Continuous Service will commence on the date you cease to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any; the Board or its duly authorized designee shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your Option (including whether you may still be considered to be providing services while on a leave of absence).

Neither the Company, the Employer nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation that may affect the value of the Option or of any amounts due to you pursuant to the exercise of the Option or the subsequent sale of any Ordinary Shares acquired upon exercise.

The Plan and this US Option Agreement set forth the entire understanding between you, the Company and any Affiliate regarding your Option and supersedes all prior oral and written agreements pertaining to your Option.

Notices. Any notices provided for in your Option, this US Option Agreement or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan, this US Option Agreement and your Option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting your Option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Governing Plan Document. Your Option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. If there is any conflict between the provisions of your Option and those of the Plan, the provisions of the Plan will control.

Effect on Other Employee Benefit Plans. The value of the Option will not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

Voting Rights. You will not have voting or any other rights as a shareholder of the Company with respect to the shares to be issued pursuant to this US Option Agreement. Nothing contained in this US Option Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

Severability. If all or any part of this US Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this US Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this US Option Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

Waiver. You acknowledge that a waiver by the Company of breach of any provision of the US Option Agreement shall not operate or be construed as a waiver of any other provision of the US Option Agreement, or of any subsequent breach of the US Option Agreement.

Governing Law. The grant of the Option and the provisions of this US Option Agreement are governed by, and subject to, the laws of the Cayman Islands, without regard to the conflict of law provisions. You and the Company each hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Cayman Islands.

Language. If you have received this US Option Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the Option and on any Ordinary Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to provide additional information and documentation and / or sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Miscellaneous.

The rights and obligations of the Company under your Option will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by the Company's successors and assigns.

You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Option.

You acknowledge and agree that you have reviewed this US Option Agreement and the Plan in their entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Option, and fully understand all provisions of this US Option Agreement, the Plan and your Option.

This US Option Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

All obligations of the Company under the Plan and this US Option Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

* * *

This US Option Agreement will be deemed to be signed by you upon the signing by you of the Option Grant Notice to which it is attached.

ATTACHMENT II

2019 EQUITY INCENTIVE PLAN

ATTACHMENT III

NOTICE OF EXERCISE

ShouTi Inc.

_____

_____

Date of Exercise: _____

Ladies and Gentlemen:

This constitutes notice under my Option that I elect to purchase the number of Ordinary Shares of ShouTi Inc. (the "***Company***") for the price set forth below (all amounts are in US dollars).

Type of option (check one):	Incentive ☐	Nonstatutory ☐
Option dated:	_____	
Number of Ordinary Shares as to which option is exercised:	_____	
Certificates to be issued in name of:	_____	
Total exercise price:	$_____	
Cash, check, bank draft or money order delivered herewith:	$_____	
Regulation T Program (cashless exercise):	$_____	
Value of _____ shares of the Company delivered herewith[3]:	$_____	
Value of _____ shares of the Company pursuant to net exercise[4]:	$_____	

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the ShouTi Inc. 2019 Equity Incentive Plan, (ii) to provide for the payment by me to you (in the manner designated by you) of your withholding obligation, if any, relating to the exercise of this Option, and (iii) if this exercise relates to an incentive share option, to notify you in writing within fifteen (15) days after the date of any disposition of any of the shares of the Company issued upon exercise of this Option that occurs within two (2) years after the date of grant of this Option or within one (1) year after such shares are issued upon exercise of this Option.

I hereby make the following certifications and representations with respect to the number of shares of the Company listed above (the "***Shares***"), which are being acquired by me for my own account upon exercise of this Option as set forth above:

---

3 Shares must meet the public trading requirements set forth in the option. Shares must be valued in accordance with the terms of the option being exercised, and must be owned free and clear of any liens, claims, encumbrances or security interests. Certificates must be endorsed or accompanied by an executed assignment separate from certificate.

4 ShouTi Inc. must have established net exercise procedures at the time of exercise in order to utilize this payment

I acknowledge that the Shares have not been registered or qualified under the Securities Act of 1933 as amended (the "***Securities Act***"), or other applicable securities laws on the ground that the sale of the Shares is exempt from such registration or qualification. I further acknowledge that the Shares are deemed to constitute "restricted securities" under Rule 701 and Rule 144 promulgated under the Securities Act. I warrant and represent to the Company that I have no present intention of distributing or selling said Shares, except as permitted under the Securities Act and any other applicable securities laws and any applicable state securities laws and applicable securities laws of any other jurisdiction.

I further acknowledge that I will not be able to resell the Shares for at least ninety (90) days after the shares of the Company becomes publicly traded (*i.e.,* subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934) under Rule 701 and that more restrictive conditions apply to affiliates of the Company under Rule 144.

I further acknowledge that all certificates representing any of the Shares subject to the provisions of this Option shall have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to the Company's memorandum and articles of association and other constitutional and governance documents (including any Shareholder Agreements) and/or applicable securities laws.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Securities Act or under the applicable laws of another jurisdiction under which such securities may be listed, I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares or other securities of the Company for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or under the applicable laws of another jurisdiction under which such securities may be listed, or such longer period as necessary to permit compliance with NASD Rule 2711 or NYSE Member Rule 472 and similar rules and regulations (the "***Lock-Up Period***"). I further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or any underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

Very truly yours,

_____

Address:

SHOUTI INC.
PRC OPTION GRANT NOTICE
(2019 EQUITY INCENTIVE PLAN)

ShouTi Inc. (the "***Company***"), pursuant to its 2019 Equity Incentive Plan (the "***Plan***"), hereby grants to Optionholder an option to purchase the number of shares in the capital of the Company set forth below (this "***Option***"). This Option is subject to all of the terms and conditions as set forth herein and in the PRC Option Agreement, the Plan, and the PRC Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the PRC Option Agreement will have the same definitions as in the Plan or the PRC Option Agreement. If there is any conflict between the terms herein and the Plan, the terms of the Plan will control.

Optionholder:	
Date of Grant:	
Vesting Commencement Date:	
Number of Ordinary Shares Subject to Option:	
Exercise Price (US$ Per Share):	
Total Exercise Price (US$):	
Expiration Date*:	

* Actual term of this Option is subject to Section 4 of the PRC Option Agreement.

Exercise: Cashless sell-all exercise only.

Vesting Schedule: [EXAMPLE: 25% of the shares shall vest on the first anniversary of the Vesting Commencement Date; the balance of the shares vest in a series of thirty-six (36) successive equal monthly installments measured from the first anniversary of the Vesting Commencement Date, provided that the Optionholder continues to provide Continuous Services (as defined in the Plan) to the Company as of any each relevant date.]

Additional Terms/Acknowledgements: The undersigned Optionholder acknowledges receipt of, and understands and agrees to, this PRC Option Grant Notice, the PRC Option Agreement and the Plan. Optionholder further acknowledges he/she has been given an opportunity to consult legal and tax advisers with respect to all matters relating to this Option, and understands and acknowledges that the granting and exercise of this Option are governed by a complex body of securities and tax laws that may impact Optionholder's ability to exercise this Option or to receive or sell the Shares following such exercise. Optionholder acknowledges and agrees that this PRC Option Grant Notice and the PRC Option Agreement may not be modified, amended or revised except in writing signed by Optionholder and a duly authorized officer of the Company. Optionholder further acknowledges that as of the Date of Grant, this PRC Option Grant Notice, the PRC Option Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding this Option and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) options previously granted and delivered to Optionholder under the Plan, and (ii) the following agreements only:

OTHER AGREEMENTS: _____

SHOUTI INC.	**OPTIONHOLDER:**
By: _____	_____
Name:	Signature
Title:	
Date:	Date: _____

ATTACHMENTS: PRC Option Agreement, 2019 Equity Incentive Plan and PRC Notice of Exercise

ATTACHMENT I

SHOUTI INC.
2019 EQUITY INCENTIVE PLAN

PRC OPTION AGREEMENT

Pursuant to your PRC Option Grant Notice ("***Grant Notice***") and this PRC Option Agreement, ShouTi Inc. (the "***Company***") has granted you an Option under its 2019 Equity Incentive Plan (the "***Plan***") to purchase the number of the Company's Ordinary Shares (the "***Shares***") indicated in your Grant Notice at the exercise price indicated in your Grant Notice. The Option is granted to you effective as of the date of grant set forth in the Grant Notice (the "***Date of Grant***"). If there is any conflict between the terms in this PRC Option Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this PRC Option Agreement or in the Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your Option are as follows:

VESTING. Subject to the limitations contained herein, your Option will vest as provided in your Grant Notice, provided that vesting will cease upon the termination of your Continuous Service.

NUMBER OF SHARES AND EXERCISE PRICE. The number of Shares subject to your Option and your exercise price per share (in United States dollars) referenced in your Grant Notice may be adjusted from time to time for Capitalization Adjustments.

WHOLE SHARES. You may exercise your Option only for a whole number of Shares.

TERM. Subject always to compliance with Sections 5, 8 and 9 below, you may only exercise your Option during its term, which commences on the Date of Grant and expires upon the earliest of the following:

a. immediately upon the termination of your Continuous Service for Cause;

- three (3) months after the termination of your Continuous Service for any reason other than Cause, Disability or death;
- twelve (12) months after the termination of your Continuous Service due to your Disability;
- eighteen (18) months after your death if you die either during your Continuous Service
- within three (3) months after your Continuous Service terminates for any reason other than Cause or your death or Disability;
- the Expiration Date indicated in your Grant Notice; or
- the day before the tenth (10th) anniversary of the Date of Grant;

provided, however, that (i) if your Option and/or the shares to be issued upon exercise of your Option cannot be registered under applicable laws (including, without limitation, SAFE Circular 37 (as defined below) and SAFE Circular 7 (as defined below) and their successor regulations) (the "***Requisite Registration***"), the Company may, in the Board's sole discretion, extend the term of your Option to a date after the completion of the Requisite Registration on which your Option may be exercised, provided that in no event shall the term of your Option exceed ten (10) years from the date of its grant, and (ii) if the Company has not completed the Requisite Registration before a Change in Control, the Company may, in the Board's sole discretion, cancel your Option in connection with such Change in Control and, in exchange for a full release by you of the Company, pay you an amount equal to the excess of (x) the fair market value (as determined by the Board in good faith in its sole discretion) of the exercisable and vested portion of your Option over (y) the sum of the aggregate exercise price of the exercisable and vested portion of your Option and all applicable taxes, fees or other amounts required to be paid or withheld in connection with such payment. Any amounts payable to you by the Company (or your employer) with respect to the cancellation of your Option are payable to you in local currency, based upon the local currency to United States dollar exchange rate used by the financial institution engaged by the Company to facilitate the payment in connection with such cancellation or such other reasonable exchange rate determined by the Board in its discretion. As used herein, "***SAFE Circular 37***" means shall mean the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Financing and Round Trip Investment via Special Purpose Companies issued by the State Administration of Foreign Exchange of the People's Republic of China on July 4, 2014; and "***SAFE Circular 7***" means the Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Used for Domestic Individuals' Participation in Equity Incentive Plans of Companies Listed Overseas promulgated by the State Administration of Foreign Exchange of the People's Republic of China and effective as of February 15, 2012.

Cashless Sell-All Exercise.

You may exercise the vested portion of your Option during its term by delivering a PRC Notice of Exercise (in a form designated by the Company) to the administrator of the Plan, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then require to effect a cashless sell-all exercise. The Company will provide the forms necessary to make such a cashless sell-all exercise.

Unless otherwise agreed in writing with the Company, your Option may only be exercised after the completion of the Requisite Registration and the vested portion of your Option is exercised in a cashless sell-all transaction in accordance with the terms of this Section 5 and such other terms and conditions as may be imposed by the Company in order to ensure full compliance with all applicable tax, securities, employment, foreign exchange and other laws and regulations in the United States, the People's Republic of China (the "***PRC***") and any other applicable jurisdiction including, without limitation, compliance with Section 9 below to the extent applicable at the time of exercise.

All amounts referenced in this PRC Option Agreement and your Grant Notice are denominated in United States dollars. Any amounts payable to you by the Company (or your employer) with respect to the cashless sell-all exercise of the Option hereunder are payable to you in local currency, based upon the local currency to United States dollar exchange rate used by the financial institution engaged by the Company to facilitate the exercise of your Option or such other reasonable exchange rate determined by the Board in its discretion. Your exercise will be effective when the PRC Notice of Exercise is received by the Company. If someone else wants to exercise your Option after your death or disability, that person must prove to the Company's satisfaction that he or she is entitled to do so.

Upon receipt of the PRC Notice of Exercise and all other documentation required pursuant to this Section 5, the Company shall effect a cashless sell-all transaction pursuant to which the proceeds of sale shall be remitted to you in the PRC by the Company (or an Affiliate, including your employer if different from the Company) representing a cash payment equal to the excess of: (i) the net sale proceeds, over (ii) the sum of the aggregate exercise price of your Option and all applicable taxes, exchange fees or other amounts required to be paid or withheld in connection with the exercise of your Option.

Notwithstanding anything to the contrary contained in this PRC Option Agreement or the PRC Notice of Exercise, you may not exercise your Option unless the Shares covered by your Option are then registered under the Securities Act (or under the applicable laws of another jurisdiction under which the Shares may be registered) or, if such Shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act (or under the applicable laws of another jurisdiction under which the Shares may be registered). The exercise of your Option also must comply with other applicable laws and regulations governing your Option, including those of the United States and your country of residence, and you may not exercise your Option if the Company determines that such exercise would not be in material compliance with such laws and regulations. You understand that the Company is under no obligation to register or qualify the Shares with any securities regulatory authority in any jurisdiction or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, you agree that the Company shall have unilateral authority to amend the Plan and this PRC Option Agreement without your consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

By exercising your Option you agree to take all steps to comply, and to assist the Company and its Affiliates to enable each of them to comply, with all applicable laws and regulations including, without limitation, those implemented by the China Securities Regulatory Commission, the State Administration for Foreign Exchange, the State Administration for Taxation and any other PRC government authorities (the "***PRC Authorities***") or any specific request made by the PRC Authorities in relation to the fulfillment of any reporting, filing, registration and approval requirements imposed on the Company or any Affiliate. You further agree to execute and deliver such other agreements or documents, and to fulfill any reporting, filing, registration and approval requirements, as may be required by the PRC Authorities and/or reasonably requested by the Company or an Affiliate.

By exercising your Option you agree that you shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to, any Shares or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or under the applicable laws of another jurisdiction under which the Shares may be registered, or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rules or regulations (the "***Lock-Up Period***"); *provided, however*, that nothing contained in this Section 5(g) shall prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or any underwriter(s) of the Company's shares that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Shares or other securities until the end of such period. The underwriters of the Company's shares are intended third party beneficiaries of this Section 5(g) and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

You agree, with effect from the date of the exercise of your Option, to be bound by the terms of any and all Shareholders Agreements as if the same were set forth herein and will observe and discharge the terms and conditions of such Shareholders Agreements in all respects as if you had been a party thereto, and you shall be deemed to be comprised in the expressions "the holder of Ordinary Shares" and the "parties" as therein mentioned. By exercising your Option you agree that, as a condition to any exercise of your Option, the Company may require you to execute and deliver a deed of adherence to any Shareholders Agreement and require you to represent and warrant that you have the capacity to enter into, exercise your rights and lawfully perform and comply with the terms of any Shareholders Agreement; and that your obligations under any Shareholders Agreement are valid and binding upon you. The agreement set forth in this Section 5(h) is supplemental to and, except only where the context does not so admit, shall be construed as one and interpreted in accordance with any Shareholders Agreement and subject only to the agreements and variations herein expressly agreed and declared. All other conditions, covenants, provisions, powers and terms contained or subsisting in any Shareholders Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the agreements and variations herein were inserted therein by way of addition or substitution, as the case may be, and nothing herein shall affect or impair any Shareholders Agreement or its enforceability. For purposes of this PRC Option Agreement, the "***Shareholders Agreement(s)***" shall mean any and all agreements between the Company and all or certain shareholders of the Company that may be entered into from time to time, and/or one or more agreements among the Company, you and other parties thereto in such form determined from time to time by the Company in its sole discretion, that include terms and conditions that provide or impose in respect of the Company and/or any shareholders restrictions and obligations with respect to the transfer or voting of equity securities of the Company and such other terms and conditions as the Board may require, if any, including any amendment or supplement to or restatement of any such agreement from time to time.

Transferability. Your Option is not transferable, except by Will or by the laws of descent and distribution, and is exercisable during your life only by you. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, shall thereafter be entitled to exercise your Option.

Option not a Service Contract. Your Option is not an employment or service contract, and nothing in your Option shall be deemed to create in any way whatsoever any obligation on your part to continue in the employ of, or as a provider of services to, the Company or an Affiliate, or of the Company or an Affiliate to continue your employment or to continue to engage you to provide services. In addition, nothing in your Option shall obligate the Company or an Affiliate, their respective shareholders, Boards of Directors, Officers or Employees to continue any relationship that you might have as a Director of, a member of the board of directors of, or a Consultant, for the Company or an Affiliate.

Withholding Obligations. In order to permit the Company to effect the cashless sell-all exercise of your Option pursuant to Sections 5 above, at the time you exercise your Option, or at any time thereafter as requested by the Company, and to the maximum extent permitted by law, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of your Option.

Compliance with Law. Notwithstanding any other term of this PRC Option Agreement, the Company, its Affiliates and you will comply at all times with the laws and regulations of the United States and the PRC in relation to the grant of your Option and the exercise of your Option under Section 5 above, including without limitation any applicable anti-money laundering, anti-bribery and anti-corruption laws. Notwithstanding any other term of this PRC Option Agreement, in the event that the laws and regulations of the United States or the PRC at any time including but not limited to the time of exercise prohibit the grant of your Option, the exercise of your Option or the receipt of the net sale proceeds pursuant to Section 5 above, then to the extent the laws and regulations of the United States and the PRC permit the Company to preserve the economic value that may be generated by this Option, the Company may, in its sole discretion (but without any obligation), take such steps or course of action to provide or maintain the benefit of your Option as contemplated by this PRC Option Agreement (or provide benefits to you that are substantially equivalent thereto), subject to the completion, execution and delivery of any agreement or document, and compliance with any reporting, filing, registration or approval process required to be undertaken by you, the Company, an Affiliate or any third party to ensure material compliance with all applicable laws and regulations including, without limitation, those of the PRC Authorities.

Tax Consequences. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You shall not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from your Option or your other compensation.

Personal Data. You understand that your Employer, if applicable, the Company, and/or its Affiliates hold certain personal information about you, including but not limited to your name, home address, telephone number, date of birth, social security or equivalent tax identification number, salary, nationality, job title, and details of your Option (the "***Personal Data***"). Certain Personal Data may also constitute "***Sensitive Personal Data***" or similar classification under applicable local law and be subject to additional restrictions on collection, processing and use of the same under such laws. Such data include but are not limited to Personal Data and any changes thereto, and other appropriate personal and financial data about you. You hereby provide express consent to the Company or its Affiliates to collect, hold, and process any such Personal Data and Sensitive Personal Data. You also hereby provide express consent to the Company and/or its Affiliates to transfer any such Personal Data and Sensitive Personal Data outside the country in which you are employed or retained, including transfers to the United States. The legal persons for whom such Personal Data are intended are the Company, any broker company, registered office provider, or professional advisor providing services to the Company in connection with the administration of the Plan or the Company. You have been informed of your right to access and correct your Personal Data and/or Sensitive Personal Data by applying to the Company representative identified on the Grant Notice.

Additional Acknowledgements. You hereby consent and acknowledge that:

Participation in the Plan is voluntary and therefore you must accept the terms and conditions of the Plan and this PRC Option Agreement as a condition to participating in the Plan and receipt of your Option.

The Plan is discretionary in nature and the Company can amend, cancel, or terminate it at any time in its sole discretion.

Your Option and any other awards under the Plan are voluntary and occasional and do not create any contractual or other right to receive future awards or other benefits in lieu of future awards, even if similar awards have been granted repeatedly in the past.

All determinations with respect to any such future awards, including, but not limited to, the time or times when such awards are made, the number of Shares, and performance and other conditions applied to the awards, will be at the sole discretion of the Company.

Your Option is an extraordinary item of compensation, which is outside the scope of your employment, service contract or consulting agreement, if any. Your Option shall not form part of any past, current or future entitlement to remuneration or benefits which you may have under any contract of employment, service contract or consulting agreement with the Company or any Affiliate nor form any part of any such contract of employment, service contract or consulting agreement between you and the Company or any Affiliate.

Your Option, or any income derived therefrom is a potential bonus payment not paid in lieu of any cash salary compensation and not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, life or accident insurance benefits, pension or retirement benefits or similar payments.

In the event of the involuntary termination of your Continuous Service, your eligibility to receive payments under your Option or the Plan, if any, will terminate effective as of the date that you are no longer actively employed or retained regardless of any reasonable notice period mandated under local law, except as expressly provided in this PRC Option Agreement.

The future value of the Shares is unknown and cannot be predicted with certainty. You do not have, and will not assert, any claim or entitlement to compensation, indemnity or damages arising from the termination of your Option or diminution in value of any cash payment you receive upon the cashless sell-all exercise of your Option, and you irrevocably release the Company, its Affiliates and, if applicable, your Employer, if different from the Company or any Affiliate, from any such claim that may arise.

You understand and acknowledge that the Plan, this PRC Option Agreement, the Grant Notice and the PRC Notice of Exercise are written in English and to the extent one or more of such documents are translated into a language other than English, the English language version shall prevail.

Notices. Any notices provided for in your Option, this PRC Option Agreement or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan, this PRC Option Agreement and your Option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting your Option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Governing Plan Document. Your Option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this PRC Option Agreement and those of the Plan, the provisions of the Plan shall control.

Severability. If all or any part of this PRC Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this PRC Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this PRC Option Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

Waiver. You acknowledge that a waiver by the Company of breach of any provision of the PRC Option Agreement shall not operate or be construed as a waiver of any other provision of the PRC Option Agreement, or of any subsequent breach of the PRC Option Agreement.

Governing Law and Dispute Resolution. The grant of the Option and the provisions of this PRC Option Agreement are governed by, and subject to, the laws of the Cayman Islands, without regard to the conflict of law provisions. All and any of the disputes arising from and in connection with this PRC Option Agreement shall be referred to the Hong Kong International Arbitration Centre ("***HKIAC***") for binding arbitration in Hong Kong by a sole arbitrator in accordance with the rules then in effect of the HKIAC. The parties shall jointly select the sole arbitrator. If the parties fail to reach an agreement on the arbitrator, such an arbitrator shall be appointed by the Chairman of HKIAC. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any competent court having jurisdiction. The parties to the arbitration shall each pay an equal share of the costs and expenses of such arbitration, and each party shall separately pay for its respective counsel fees and expenses; provided, however, that the prevailing party, if any, in any such arbitration shall be entitled to recover from the non-prevailing party its reasonable costs and attorney fees.

Language. If you have received this PRC Option Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan and on the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to provide additional information and documentation and / or sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

MISCELLANEOUS.

You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Option.

You acknowledge and agree that you have reviewed this PRC Option Agreement and the Plan in their entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Option, and fully understand all provisions of this PRC Option Agreement, the Plan and your Option. You further acknowledge that the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Ordinary Shares.

This PRC Option Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

All obligations of the Company under the Plan and this PRC Option Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

* * *

This PRC Option Agreement will be deemed to be signed by you upon the signing by you of the Share Option Grant Notice to which it is attached.

ATTACHMENT II

SHOUTI INC.
2019 EQUITY INCENTIVE PLAN

ATTACHMENT III

PRC NOTICE OF EXERCISE

ShouTi Inc.

_____

_____

Date of Exercise: _____

Ladies and Gentlemen:

This constitutes notice under my Option that I elect to exercise my Option in a cashless sell-all transaction with respect to the number of Ordinary Shares of ShouTi Inc. (the "***Company***") for the price set forth below.

Option dated:	_____
Number of Ordinary Shares as to which option is exercised:	_____
Total exercise price:	US$_____

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the ShouTi Inc. 2019 Equity Incentive Plan and the PRC Option Agreement, (ii) take such other steps as may be required by the Company to ensure compliance with applicable law in relation to the exercise of my Option, and (iii) to your withholding from any payment to me with respect to the exercise of this Option of any and all amounts relating to the exercise price of the shares subject to this Option, and all applicable tax, foreign exchange fees and other withholdings in accordance with the PRC Option Agreement.

Very truly yours,

_____

Address:

SHOUTI INC.

INTERNATIONAL OPTION GRANT NOTICE
(2019 EQUITY INCENTIVE PLAN)

ShouTi Inc. (the "***Company***"), pursuant to its 2019 Equity Incentive Plan (the "***Plan***"), hereby grants to Optionholder an option to purchase the number of shares in the capital of the Company set forth below (this "***Option***"). This Option is subject to all of the terms and conditions as set forth herein and in the International Option Agreement, the Plan, and the International Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the International Option Agreement will have the same definitions as in the Plan or the International Option Agreement. If there is any conflict between the terms herein and the Plan, the terms of the Plan will control.

Optionholder:
Date of Grant:
Vesting Commencement Date:
Number of Ordinary Shares Subject to Option:
Exercise Price (US$ Per Share):
Total Exercise Price (US$):
Expiration Date:

Exercise Schedule: ☒ Same as Vesting Schedule

Vesting Schedule: [EXAMPLE: 25% of the shares shall vest on the first anniversary of the Vesting Commencement Date; the balance of the shares vest in a series of thirty-six (36) successive equal monthly installments measured from the first anniversary of the Vesting Commencement Date, provided that the Optionholder continues to provide Continuous Services (as defined in the Plan) to the Company as of each relevant vesting date.]

Payment: By one or a combination of the following methods (as such methods are described in the International Option Agreement):

☒ By cash or check

☒ Pursuant to a Regulation T Program if the Shares are publicly traded

☐ By delivery of already-owned shares if the Shares are publicly traded

☐ Subject to consent of the Company at exercise, by net exercise

Additional Terms/Acknowledgements: The undersigned Optionholder acknowledges receipt of, and understands and agrees to, this International Option Grant Notice, the International Option Agreement and the Plan. Optionholder acknowledges and agrees that this International Option Grant Notice and the International Option Agreement may not be modified, amended or revised except in writing signed by Optionholder and a duly authorized officer of the Company. Optionholder further acknowledges that as of the Date of Grant, this International Option Grant Notice, the International Option Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding the acquisition of shares of the Company and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) options previously granted and delivered to Optionholder under the Plan, and (ii) the agreement between the Optionholder and the Company listed below only.

OTHER AGREEMENTS: _____

SHOUTI INC.

By: _____
Name:
Title:
Date:

OPTIONHOLDER:

_____
Signature

Date: _____

ATTACHMENTS: International Option Agreement, 2019 Equity Incentive Plan and International Notice of Exercise

ATTACHMENT I

SHOUTI INC.
2019 EQUITY INCENTIVE PLAN

INTERNATIONAL OPTION AGREEMENT

Pursuant to your Option Grant Notice ("***Grant Notice***") and this International Option Agreement, ShouTi Inc. (the "***Company***") has granted you an Option under its 2019 Equity Incentive Plan (the "***Plan***") to purchase the number of the Company's Ordinary Shares indicated in your Grant Notice at the exercise price indicated in your Grant Notice. The Option is granted to you effective as of the date of grant set forth in the Grant Notice (the "***Date of Grant***"). If there is any conflict between the terms in this International Option Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this International Option Agreement or in the Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your Option, in addition to those set forth in the Grant Notice and the Plan, are as follows:

VESTING. Your Option will vest as provided in your Grant Notice. Vesting will cease upon the termination of your Continuous Service.

NUMBER OF SHARES AND EXERCISE PRICE. The number of Ordinary Shares subject to your Option and your exercise price per share in your Grant Notice will be adjusted for Capitalization Adjustments.

EXERCISE PRIOR TO VESTING ("EARLY EXERCISE"). This Option may not be exercised prior to vesting.

METHOD OF PAYMENT. You must pay the full amount of the exercise price, including any applicable Withholding Taxes (as defined in Section 14(a) below) for the portion of the vested Option you wish to exercise. Subject to any limitations applicable to you under applicable law, you may pay the exercise price in cash or by check, bank draft or money order payable to the Company or in any other manner ***permitted by your Grant Notice,*** which may include one or more of the following:

Provided that at the time of exercise the Ordinary Shares are publicly traded, pursuant to a program (developed under Regulation T as promulgated by the U.S. Federal Reserve Board or similar regulations in other applicable jurisdictions, if required for compliance with the laws of the relevant jurisdiction) that, prior to the issuance of Ordinary Shares, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price and any applicable Withholding Taxes to the Company from the sales proceeds. This manner of payment is also known as a "broker-assisted exercise", "same day sale", or "sell to cover".

Provided that at the time of exercise the Ordinary Shares are publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned Ordinary Shares that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your Option, will include delivery to the Company of your attestation of ownership of such Ordinary Shares in a form approved by the Company. You may not exercise your Option by delivery to the Company of Ordinary Shares if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's shares.

Subject to the consent of the Company at the time of exercise, by a "net exercise" arrangement pursuant to which the Company will reduce the number of Ordinary Shares issued upon exercise of your Option by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price. You must pay any remaining balance of the aggregate exercise price not satisfied by the "net exercise" in cash or other permitted form of payment. Ordinary Shares will no longer be outstanding under your Option and will not be exercisable thereafter if those shares (i) are used to pay the exercise price pursuant to the "net exercise," (ii) are delivered to you as a result of such exercise, and (iii) are withheld to satisfy your obligations for Withholding Taxes.

Whole Shares. You may exercise your Option only for a whole number of Ordinary Shares.

Securities Law Compliance. Notwithstanding anything to the contrary contained herein, you may not exercise your Option unless the Shares issuable upon such exercise are then registered under the Securities Act or, if such Shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of your Option also must comply with other applicable laws and regulations governing your Option, including those of the United States, the Cayman Islands and your country of residence, and you may not exercise your Option if the Company determines that such exercise would not be in material compliance with such laws and regulations. You understand that the Company is under no obligation to register or qualify the Ordinary Shares with any securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, you agree that the Company shall have unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

Term. You may not exercise your Option before the Date of Grant or after the expiration of the Option's term. The term of your Option expires, subject to the provisions of Section 5(h) of the Plan, upon the earliest of the following:

immediately upon the termination of your Continuous Service for Cause;

three (3) months after the termination of your Continuous Service for any reason other than Cause, your Disability or your death; *provided, however,* that if during any part of such three (3) month period your Option is not exercisable solely because of the condition set forth in the Section above relating to "Securities Law Compliance," your Option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service *provided further,* if during any part of such three (3) month period, the sale of any Ordinary Shares received upon exercise of your Option would violate the Company's insider trading policy, then your Option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service during which the sale of the Ordinary Shares received upon exercise of your Option would not be in violation of the Company's insider trading policy;

twelve (12) months after the termination of your Continuous Service due to your Disability below;

eighteen (18) months after your death if you die either during your Continuous Service

within three (3) months after your Continuous Service terminates for any reason other than Cause or your death or Disability;

the Expiration Date indicated in your Grant Notice; or

the day before the tenth (10th) anniversary of the Date of Grant.

Exercise.

You may exercise the vested portion of your Option during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the exercise price and any applicable Withholding Taxes to the Company's share plan administrator, or to such other person as the Company may designate, together with such additional documents as the Company may then require.

By exercising your Option you agree that, as a condition to any exercise of your Option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any Withholding Taxes of the Company arising by reason of (i) the exercise of your Option, (ii) the lapse of any substantial risk of forfeiture to which the Ordinary Shares are subject at the time of exercise, or (iii) the disposition of Ordinary Shares acquired upon such exercise.

You agree, with effect from the date of the exercise of your Option, to be bound by the terms of any and all Shareholders Agreements as if the same were set forth herein and will observe and discharge the terms and conditions of such Shareholders Agreements in all respects as if you had been a party thereto, and you shall be deemed to be comprised in the expressions "the holder of Ordinary Shares" and the "parties" as therein mentioned. By exercising your Option you agree that, as a condition to any exercise of your Option, the Company may require you to execute and deliver a deed of adherence to any Shareholders Agreement and require you to represent and warrant that you have the capacity to enter into, exercise your rights and lawfully perform and comply with the terms of any Shareholders Agreement; and that your obligations under any Shareholders Agreement are valid and binding upon you. The agreement set forth in this Section 8(c) is supplemental to and, except only where the context does not so admit, shall be construed as one and interpreted in accordance with any Shareholders Agreement and subject only to the agreements and variations herein expressly agreed and declared. All other conditions, covenants, provisions, powers and terms contained or subsisting in any Shareholders Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the agreements and variations herein were inserted therein by way of addition or substitution, as the case may be, and nothing herein shall affect or impair any Shareholders Agreement or its enforceability. For purposes of this International Option Agreement, the "***Shareholders Agreement(s)***" shall mean any and all agreements between the Company and all or certain shareholders of the Company that may be entered into from time to time, and/or one or more agreements among the Company, you and other parties thereto in such form determined from time to time by the Company in its sole discretion, that include terms and conditions that provide or impose in respect of the Company and/or any shareholders restrictions and obligations with respect to the transfer or voting of equity securities of the Company and such other terms and conditions as the Board may require, if any, including any amendment or supplement to or restatement of any such agreement from time to time.

Market Stand Off. By exercising your Option you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any Ordinary Shares or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or under the applicable laws of another jurisdiction under which such securities may be listed, or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rules or regulations (the "***Lock-Up Period***"); *provided, however*, that nothing contained in this Section 9 will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or any underwriters of the Company's shares that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Ordinary Shares or other securities of the Company until the end of such period. You also agree that any transferee of any Ordinary Shares (or other securities) of the Company held by you will be bound by this Section 9. The underwriters of the Company's shares are intended third party beneficiaries of this Section 9 and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

Transferability. Except as otherwise provided in this Section 10, your Option is not transferable, except by Will or by the laws of descent and distribution, and is exercisable during your life only by you. Upon receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise this Option and receive the Ordinary Shares or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate will be entitled to exercise this Option and receive, on behalf of your estate, the Ordinary Shares or other consideration resulting from such exercise.

Right of First Refusal. Ordinary Shares that you acquire upon exercise of your Option are subject to any right of first refusal that may be described in the Company's memorandum or articles of association or other constitutional or governance documents (including any Shareholder Agreement) in effect at such time the Company elects to exercise its right. Any Company right of first refusal will expire on the first date upon which then Ordinary Shares (or any other securities issued in exchange for or upon conversion of the Ordinary Shares) is listed (or approved for listing) upon notice of issuance on a securities exchange or quotation system.

Right of Repurchase. To the extent provided in the Company's memorandum and articles of association or other constitutional or governance documents (including any Shareholder Agreement) in effect at such time the Company elects to exercise its right, the Company will have the right to repurchase all or any part of the Ordinary Shares you acquire pursuant to the exercise of your Option.

Option not a Service Contract. Your Option is not an employment or service contract, and nothing in your Option will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of, or as a provider of services to, the Company or an Affiliate, or of the Company or an Affiliate to continue your employment or to continue to engage you to provide services. In addition, nothing in your Option will obligate the Company or an Affiliate, their respective shareholders, boards of directors, officers or employees to continue any relationship that you might have as a Director of, a member of the board of directors of, or a Consultant, for the Company or an Affiliate.

Withholding Obligations.

You acknowledge that, regardless of any action taken by the Company or, if different, your employer (the "***Employer***") the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("***Withholding Taxes***"), is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer make no representations or undertakings regarding the treatment of any Withholding Taxes in connection with any aspect of your Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Ordinary Shares acquired pursuant to such exercise and the receipt of any dividends. Further, if you are subject to Withholding Taxes in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Withholding Taxes in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Withholding Taxes. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Withholding Taxes by withholding from payroll and any other amounts payable to you, including any proceeds due to you from the sale of Ordinary Shares acquired at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization) without further consent.

Upon your request and subject to approval by the Company and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested Ordinary Shares otherwise issuable to you upon the exercise of your Option a number of whole Ordinary Shares having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of your Option as a liability for financial accounting purposes).

You may not exercise your Option unless all obligations of the Company and/or any Affiliate for Withholding Taxes are satisfied. Accordingly, you may not be able to exercise your Option when desired even though your Option is vested, and the Company will have no obligation to issue any Ordinary Shares (or any certificate therefor) unless such obligations are satisfied.

Tax Consequences. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from your Option or your other compensation. In particular, you acknowledge that this Option is exempt from Section 409A of the Code only if the exercise price per share specified in the Grant Notice is at least equal to the "fair market value" per Ordinary Share on the Date of Grant and there is no other impermissible deferral of compensation associated with the Option.

Personal Data. You understand that your Employer, if applicable, the Company, and/or its Affiliates hold certain personal information about you, including but not limited to your name, home address, telephone number, date of birth, social security or equivalent tax identification number, salary, nationality, job title, and details of your Option (the ***"Personal Data"***). Certain Personal Data may also constitute ***"Sensitive Personal Data"*** or similar classification under applicable local law and be subject to additional restrictions on collection, processing and use of the same under such laws. Such data include but are not limited to Personal Data and any changes thereto, and other appropriate personal and financial data about you. You hereby provide express consent to the Company or its Affiliates to collect, hold, and process any such Personal Data and Sensitive Personal Data. You also hereby provide express consent to the Company and/or its Affiliates to transfer any such Personal Data and Sensitive Personal Data outside the country in which you are employed or retained, including transfers to the United States. The legal persons for whom such Personal Data are intended are the Company, any broker company, registered office provider, or professional adviser providing services to the Company in connection with the administration of the Plan or the Company. You have been informed of your right to access and correct your Personal Data and/or Sensitive Personal Data by applying to the Company representative identified on the Grant Notice.

Additional Acknowledgements. You hereby consent and acknowledge that:

Participation in the Plan is voluntary and therefore you must accept the terms and conditions of the Plan and this International Option Agreement as a condition to participating in the Plan and receipt of your Option.

The Plan is discretionary in nature and the Company can amend, cancel, or terminate it at any time in its sole discretion.

Your Option and any other Share Awards under the Plan are voluntary and occasional and do not create any contractual or other right to receive future awards or other benefits in lieu of future awards, even if similar awards have been granted repeatedly in the past.

All determinations with respect to any such future awards, including, but not limited to, the time or times when such awards are made, the size of such awards and performance and other conditions applied to the awards, will be at the sole discretion of the Company.

The value of your Option is an extraordinary item of compensation, which is outside the scope of your employment, service contract or consulting agreement, if any. This Share Award shall not form part of any past, current or future entitlement to remuneration or benefits which you may have under any contract of employment, service contract or consulting agreement with the Company or any Affiliate nor form any part of any such contract of employment, service contract or consulting agreement between you and the Company or any Affiliate.

Your Option, and any income derived therefrom are a potential bonus payment not paid in lieu of any cash salary compensation and not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, life or accident insurance benefits, pension or retirement benefits or similar payments.

In the event of the involuntary termination of your Continuous Service, your eligibility to receive payments under this Share Award or the Plan in respect of the unvested portion of your Share Award, if any, will terminate effective as of the date that you are no longer actively employed or retained regardless of any reasonable notice period mandated under local law, except as expressly provided in this International Option Agreement.

The future value of your Option is unknown and cannot be predicted with certainty. You do not have, and will not assert, any claim or entitlement to compensation, indemnity or damages arising from the termination of your Option or diminution in value of your Option and you irrevocably release the Company, its Affiliates and, if applicable, your Employer, if different from the Company or any Affiliate, from any such claim that may arise.

For purposes of this International Option Agreement, your Continuous Service will be considered terminated as of the date you are no longer actively providing services to the Company or an Affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and unless otherwise expressly provided in the Agreement or determined by the Company, (i) your right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, your period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and (ii) the period (if any) during which you may exercise the Option after such termination of your Continuous Service will commence on the date you cease to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any; the Board or its duly authorized designee shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your Option (including whether you may still be considered to be providing services while on a leave of absence).

Neither the Company, the Employer nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation that may affect the value of the Option or of any amounts due to you pursuant to the exercise of the Option or the subsequent sale of any Ordinary Shares acquired upon exercise.

The Plan and this International Option Agreement set forth the entire understanding between you, the Company and any Affiliate regarding your Option and supersedes all prior oral and written agreements pertaining to your Option.

Notices. Any notices provided for in your Option, this International Option Agreement or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan, this International Option Agreement and your Option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting your Option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Governing Plan Document. Your Option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. If there is any conflict between the provisions of this International Option Agreement and those of the Plan, the provisions of the Plan will control.

Effect on Other Employee Benefit Plans. The value of the Option will not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

Voting Rights. You will not have voting or any other rights as a shareholder of the Company with respect to the shares to be issued pursuant to this International Option Agreement. Nothing contained in this International Option Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

Severability. If all or any part of this International Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this International Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this International Option Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

Waiver. You acknowledge that a waiver by the Company of breach of any provision of the International Option Agreement shall not operate or be construed as a waiver of any other provision of the International Option Agreement, or of any subsequent breach of the International Option Agreement.

Governing Law. The grant of the Option and the provisions of this International Option Agreement are governed by, and subject to, the laws of the Cayman Islands, without regard to the conflict of law provisions. You and the Company each hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Cayman Islands.

Language. If you have received this International Option Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the Option and on any Ordinary Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to provide additional information and documentation and / or sign any additional agreements or undertakings that may be necessary to accomplish the foregoing, including without limitation, at the sole discretion of the Company, requiring you to execute a counterpart signature page and agreement to be bound by any Shareholder Agreement and requiring you to execute an irrevocable proxy and power of attorney authorizing an officer or director of the Company to vote all of your Ordinary Shares (in circumstances where such Ordinary Shares carry voting rights, for example class meetings) and take certain other actions with respect to your Ordinary Shares in his or her sole discretion.

MISCELLANEOUS.

The rights and obligations of the Company under your Option will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by the Company's successors and assigns.

You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Option.

You acknowledge and agree that you have reviewed this International Option Agreement and the Plan in their entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Option, and fully understand all provisions of this International Option Agreement, the Plan and your Option. You further acknowledge that the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Ordinary Shares.

This International Option Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

All obligations of the Company under the Plan and this International Option Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

* * *

This International Option Agreement will be deemed to be signed by you upon the signing by you of the Share Option Grant Notice to which it is attached.

ATTACHMENT II

2019 EQUITY INCENTIVE PLAN

ATTACHMENT III

INTERNATIONAL NOTICE OF EXERCISE

ShouTi Inc.

_____
_____ Date of Exercise: _____

Ladies and Gentlemen:

This constitutes notice under my Option that I elect to purchase the number of Ordinary Shares of ShouTi Inc. (the "***Company***") for the price set forth below (all amounts are in US dollars).

Option dated: _____

Number of Ordinary Shares as to which option is exercised: _____

Certificates to be issued in name of: _____

Total exercise price: US$_____

Cash, check, bank draft or money order delivered herewith: US$_____

Regulation T Program (cashless exercise): US$_____

Value of _____ shares of the Company delivered herewith[5]: US$_____

Value of _____ shares of the Company pursuant to net exercise[6]: US$_____

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the ShouTi Inc. 2019 Equity Incentive Plan, and (ii) to provide for the payment by me to you (in the manner designated by you) of your withholding obligation, if any, relating to the exercise of this Option.

I hereby make the following certifications and representations with respect to the number of shares of the Company listed above (the "***Shares***"), which are being acquired by me for my own account upon exercise of this Option as set forth above:

I acknowledge that the Shares have not been registered or qualified under the U.S. Securities Act of 1933 as amended (the "***Securities Act***"), or other applicable securities laws on the ground that the sale of the Shares is exempt from such registration or qualification. I further acknowledge that the Shares are deemed to constitute "restricted securities" under Rule 701 and Rule 144 promulgated under the Securities Act. I warrant and represent to the Company that I have no present intention of distributing or selling said Shares, except as permitted under the Securities Act and any applicable state securities laws and applicable securities laws of any other jurisdiction.

[5] Shares must meet the public trading requirements set forth in the option. Shares must be valued in accordance with the terms of the option being exercised, and must be owned free and clear of any liens, claims, encumbrances or security interests. Certificates must be endorsed or accompanied by an executed assignment separate from certificate.

[6] ShouTi Inc. must have established net exercise procedures at the time of exercise in order to utilize this payment method.

I further acknowledge that I will not be able to resell the Shares for at least ninety (90) days after the shares of the Company becomes publicly traded (*i.e.,* subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934) under Rule 701 and that more restrictive conditions apply to affiliates of the Company under Rule 144.

I further acknowledge that all certificates representing any of the Shares subject to the provisions of this Option shall have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to the Company's memorandum and articles of association and other constitutional and governance documents (including any Shareholder Agreements) and/or applicable securities laws.

I further acknowledge that the International Option Agreement contains condition to the exercise of this Option which must be satisfied in order to exercise this Option.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Securities Act or under the applicable laws of another jurisdiction under which such securities may be listed, I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares or other securities of the Company for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or under the applicable laws of another jurisdiction under which such securities may be listed, or such longer period as necessary to permit compliance with NASD Rule 2711 or NYSE Member Rule 472 and similar rules and regulations (the "***Lock-Up Period***"). I further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

Very truly yours,

_____

Address:

_____

SHOUTI INC.
INTERNATIONAL OPTION GRANT NOTICE
(2019 EQUITY INCENTIVE PLAN)

ShouTi Inc. (the "***Company***"), pursuant to its 2019 Equity Incentive Plan (the "***Plan***"), hereby grants to Optionholder an option to purchase the number of shares in the capital of the Company set forth below (this "***Option***"). This Option is subject to all of the terms and conditions as set forth herein and in the International Option Agreement, the Plan, and the International Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the International Option Agreement will have the same definitions as in the Plan or the International Option Agreement. If there is any conflict between the terms herein and the Plan, the terms of the Plan will control.

Optionholder:
Date of Grant:
Vesting Commencement Date:
Number of Ordinary Shares Subject to Option:
Exercise Price (US$ Per Share):
Total Exercise Price (US$):
Expiration Date:

Exercise Schedule: ☒ Same as Vesting Schedule

Vesting Schedule: [EXAMPLE: 25% of the shares shall vest on the first anniversary of the Vesting Commencement Date; the balance of the shares vest in a series of thirty-six (36) successive equal monthly installments measured from the first anniversary of the Vesting Commencement Date, provided that the Optionholder continues to provide Continuous Services (as defined in the Plan) to the Company as of each relevant vesting date.]

Payment: By one or a combination of the following methods (as such methods are described in the International Option Agreement):

☒ By cash or check
☒ Pursuant to a Regulation T Program if the Shares are publicly traded
☐ By delivery of already-owned shares if the Shares are publicly traded
☐ Subject to consent of the Company at exercise, by net exercise

Additional Terms/Acknowledgements: The undersigned Optionholder acknowledges receipt of, and understands and agrees to, this International Option Grant Notice, the International Option Agreement and the Plan. Optionholder acknowledges and agrees that this International Option Grant Notice and the International Option Agreement may not be modified, amended or revised except in writing signed by Optionholder and a duly authorized officer of the Company. Optionholder further acknowledges that as of the Date of Grant, this International Option Grant Notice, the International Option Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding the acquisition of shares of the Company and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) options previously granted and delivered to Optionholder under the Plan, and (ii) the agreement between the Optionholder and the Company listed below only.

OTHER AGREEMENTS: _____

SHOUTI INC.

By: _____
Name:
Title:
Date: _____

OPTIONHOLDER:

_____
Signature

Date: _____

ATTACHMENTS: International Option Agreement, 2019 Equity Incentive Plan and International Notice of Exercise

ATTACHMENT I

SHOUTI INC.
2019 EQUITY INCENTIVE PLAN

INTERNATIONAL OPTION AGREEMENT

Pursuant to your Option Grant Notice ("***Grant Notice***") and this International Option Agreement, ShouTi Inc. (the "***Company***") has granted you an Option under its 2019 Equity Incentive Plan (the "***Plan***") to purchase the number of the Company's Ordinary Shares indicated in your Grant Notice at the exercise price indicated in your Grant Notice. The Option is granted to you effective as of the date of grant set forth in the Grant Notice (the "***Date of Grant***"). If there is any conflict between the terms in this International Option Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this International Option Agreement or in the Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your Option, in addition to those set forth in the Grant Notice and the Plan, are as follows:

VESTING. Your Option will vest as provided in your Grant Notice. Vesting will cease upon the termination of your Continuous Service.

NUMBER OF SHARES AND EXERCISE PRICE. The number of Ordinary Shares subject to your Option and your exercise price per share in your Grant Notice will be adjusted for Capitalization Adjustments.

EXERCISE PRIOR TO VESTING ("EARLY EXERCISE"). This Option may not be exercised prior to vesting.

METHOD OF PAYMENT. You must pay the full amount of the exercise price, including any applicable Withholding Taxes (as defined in Section 14(a) below) for the portion of the vested Option you wish to exercise. Subject to any limitations applicable to you under applicable law, you may pay the exercise price in cash or by check, bank draft or money order payable to the Company or in any other manner ***permitted by your Grant Notice,*** which may include one or more of the following:

Provided that at the time of exercise the Ordinary Shares are publicly traded, pursuant to a program (developed under Regulation T as promulgated by the U.S. Federal Reserve Board or similar regulations in other applicable jurisdictions, if required for compliance with the laws of the relevant jurisdiction) that, prior to the issuance of Ordinary Shares, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price and any applicable Withholding Taxes to the Company from the sales proceeds. This manner of payment is also known as a "broker-assisted exercise", "same day sale", or "sell to cover".

Provided that at the time of exercise the Ordinary Shares are publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned Ordinary Shares that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your Option, will include delivery to the Company of your attestation of ownership of such Ordinary Shares in a form approved by the Company. You may not exercise your Option by delivery to the Company of Ordinary Shares if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's shares.

Subject to the consent of the Company at the time of exercise, by a "net exercise" arrangement pursuant to which the Company will reduce the number of Ordinary Shares issued upon exercise of your Option by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price. You must pay any remaining balance of the aggregate exercise price not satisfied by the "net exercise" in cash or other permitted form of payment. Ordinary Shares will no longer be outstanding under your Option and will not be exercisable thereafter if those shares (i) are used to pay the exercise price pursuant to the "net exercise," (ii) are delivered to you as a result of such exercise, and (iii) are withheld to satisfy your obligations for Withholding Taxes.

Whole Shares. You may exercise your Option only for a whole number of Ordinary Shares.

Securities Law Compliance. Notwithstanding anything to the contrary contained herein, you may not exercise your Option unless the Shares issuable upon such exercise are then registered under the Securities Act or, if such Shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of your Option also must comply with other applicable laws and regulations governing your Option, including those of the United States, the Cayman Islands and your country of residence, and you may not exercise your Option if the Company determines that such exercise would not be in material compliance with such laws and regulations. You understand that the Company is under no obligation to register or qualify the Ordinary Shares with any securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, you agree that the Company shall have unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

Term. You may not exercise your Option before the Date of Grant or after the expiration of the Option's term. The term of your Option expires, subject to the provisions of Section 5(h) of the Plan, upon the earliest of the following:

immediately upon the termination of your Continuous Service for Cause;

three (3) months after the termination of your Continuous Service for any reason other than Cause, your Disability or your death; *provided, however,* that if during any part of such three (3) month period your Option is not exercisable solely because of the condition set forth in the Section above relating to "Securities Law Compliance," your Option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service *provided further,* if during any part of such three (3) month period, the sale of any Ordinary Shares received upon exercise of your Option would violate the Company's insider trading policy, then your Option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service during which the sale of the Ordinary Shares received upon exercise of your Option would not be in violation of the Company's insider trading policy;

twelve (12) months after the termination of your Continuous Service due to your Disability below;

eighteen (18) months after your death if you die either during your Continuous Service

within three (3) months after your Continuous Service terminates for any reason other than Cause or your death or Disability;

the Expiration Date indicated in your Grant Notice; or

the day before the tenth (10th) anniversary of the Date of Grant.

EXERCISE.

You may exercise the vested portion of your Option during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the exercise price and any applicable Withholding Taxes to the Company's share plan administrator, or to such other person as the Company may designate, together with such additional documents as the Company may then require.

By exercising your Option you agree that, as a condition to any exercise of your Option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any Withholding Taxes of the Company arising by reason of (i) the exercise of your Option, (ii) the lapse of any substantial risk of forfeiture to which the Ordinary Shares are subject at the time of exercise, or (iii) the disposition of Ordinary Shares acquired upon such exercise.

You agree, with effect from the date of the exercise of your Option, to be bound by the terms of any and all Shareholders Agreements as if the same were set forth herein and will observe and discharge the terms and conditions of such Shareholders Agreements in all respects as if you had been a party thereto, and you shall be deemed to be comprised in the expressions "the holder of Ordinary Shares" and the "parties" as therein mentioned. By exercising your Option you agree that, as a condition to any exercise of your Option, the Company may require you to execute and deliver a deed of adherence to any Shareholders Agreement and require you to represent and warrant that you have the capacity to enter into, exercise your rights and lawfully perform and comply with the terms of any Shareholders Agreement; and that your obligations under any Shareholders Agreement are valid and binding upon you. The agreement set forth in this Section 8(c) is supplemental to and, except only where the context does not so admit, shall be construed as one and interpreted in accordance with any Shareholders Agreement and subject only to the agreements and variations herein expressly agreed and declared. All other conditions, covenants, provisions, powers and terms contained or subsisting in any Shareholders Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the agreements and variations herein were inserted therein by way of addition or substitution, as the case may be, and nothing herein shall affect or impair any Shareholders Agreement or its enforceability. For purposes of this International Option Agreement, the "***Shareholders Agreement(s)***" shall mean any and all agreements between the Company and all or certain shareholders of the Company that may be entered into from time to time, and/or one or more agreements among the Company, you and other parties thereto in such form determined from time to time by the Company in its sole discretion, that include terms and conditions that provide or impose in respect of the Company and/or any shareholders restrictions and obligations with respect to the transfer or voting of equity securities of the Company and such other terms and conditions as the Board may require, if any, including any amendment or supplement to or restatement of any such agreement from time to time.

MARKET STAND OFF. By exercising your Option you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any Ordinary Shares or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or under the applicable laws of another jurisdiction under which such securities may be listed, or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rules or regulations (the "***Lock-Up Period***"); *provided, however*, that nothing contained in this Section 9 will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or any underwriters of the Company's shares that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Ordinary Shares or other securities of the Company until the end of such period. You also agree that any transferee of any Ordinary Shares (or other securities) of the Company held by you will be bound by this Section 9. The underwriters of the Company's shares are intended third party beneficiaries of this Section 9 and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

Transferability. Except as otherwise provided in this Section 10, your Option is not transferable, except by Will or by the laws of descent and distribution, and is exercisable during your life only by you. Upon receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise this Option and receive the Ordinary Shares or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate will be entitled to exercise this Option and receive, on behalf of your estate, the Ordinary Shares or other consideration resulting from such exercise.

Right of First Refusal. Ordinary Shares that you acquire upon exercise of your Option are subject to any right of first refusal that may be described in the Company's memorandum or articles of association or other constitutional or governance documents (including any Shareholder Agreement) in effect at such time the Company elects to exercise its right. Any Company right of first refusal will expire on the first date upon which then Ordinary Shares (or any other securities issued in exchange for or upon conversion of the Ordinary Shares) is listed (or approved for listing) upon notice of issuance on a securities exchange or quotation system.

Right of Repurchase. To the extent provided in the Company's memorandum and articles of association or other constitutional or governance documents (including any Shareholder Agreement) in effect at such time the Company elects to exercise its right, the Company will have the right to repurchase all or any part of the Ordinary Shares you acquire pursuant to the exercise of your Option.

Option not a Service Contract. Your Option is not an employment or service contract, and nothing in your Option will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of, or as a provider of services to, the Company or an Affiliate, or of the Company or an Affiliate to continue your employment or to continue to engage you to provide services. In addition, nothing in your Option will obligate the Company or an Affiliate, their respective shareholders, boards of directors, officers or employees to continue any relationship that you might have as a Director of, a member of the board of directors of, or a Consultant, for the Company or an Affiliate.

Withholding Obligations.

You acknowledge that, regardless of any action taken by the Company or, if different, your employer (the "***Employer***") the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("***Withholding Taxes***"), is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer make no representations or undertakings regarding the treatment of any Withholding Taxes in connection with any aspect of your Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Ordinary Shares acquired pursuant to such exercise and the receipt of any dividends. Further, if you are subject to Withholding Taxes in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Withholding Taxes in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Withholding Taxes. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Withholding Taxes by withholding from payroll and any other amounts payable to you, including any proceeds due to you from the sale of Ordinary Shares acquired at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization) without further consent.

Upon your request and subject to approval by the Company and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested Ordinary Shares otherwise issuable to you upon the exercise of your Option a number of whole Ordinary Shares having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of your Option as a liability for financial accounting purposes).

You may not exercise your Option unless all obligations of the Company and/or any Affiliate for Withholding Taxes are satisfied. Accordingly, you may not be able to exercise your Option when desired even though your Option is vested, and the Company will have no obligation to issue any Ordinary Shares (or any certificate therefor) unless such obligations are satisfied.

Tax Consequences. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from your Option or your other compensation. In particular, you acknowledge that this Option is exempt from Section 409A of the Code only if the exercise price per share specified in the Grant Notice is at least equal to the "fair market value" per Ordinary Share on the Date of Grant and there is no other impermissible deferral of compensation associated with the Option.

Personal Data. You understand that your Employer, if applicable, the Company, and/or its Affiliates hold certain personal information about you, including but not limited to your name, home address, telephone number, date of birth, social security or equivalent tax identification number, salary, nationality, job title, and details of your Option (the ***"Personal Data"***). Certain Personal Data may also constitute ***"Sensitive Personal Data"*** or similar classification under applicable local law and be subject to additional restrictions on collection, processing and use of the same under such laws. Such data include but are not limited to Personal Data and any changes thereto, and other appropriate personal and financial data about you. You hereby provide express consent to the Company or its Affiliates to collect, hold, and process any such Personal Data and Sensitive Personal Data. You also hereby provide express consent to the Company and/or its Affiliates to transfer any such Personal Data and Sensitive Personal Data outside the country in which you are employed or retained, including transfers to the United States. The legal persons for whom such Personal Data are intended are the Company, any broker company, registered office provider, or professional adviser providing services to the Company in connection with the administration of the Plan or the Company. You have been informed of your right to access and correct your Personal Data and/or Sensitive Personal Data by applying to the Company representative identified on the Grant Notice.

Additional Acknowledgements. You hereby consent and acknowledge that:

Participation in the Plan is voluntary and therefore you must accept the terms and conditions of the Plan and this International Option Agreement as a condition to participating in the Plan and receipt of your Option.

The Plan is discretionary in nature and the Company can amend, cancel, or terminate it at any time in its sole discretion.

Your Option and any other Share Awards under the Plan are voluntary and occasional and do not create any contractual or other right to receive future awards or other benefits in lieu of future awards, even if similar awards have been granted repeatedly in the past.

All determinations with respect to any such future awards, including, but not limited to, the time or times when such awards are made, the size of such awards and performance and other conditions applied to the awards, will be at the sole discretion of the Company.

The value of your Option is an extraordinary item of compensation, which is outside the scope of your employment, service contract or consulting agreement, if any. This Share Award shall not form part of any past, current or future entitlement to remuneration or benefits which you may have under any contract of employment, service contract or consulting agreement with the Company or any Affiliate nor form any part of any such contract of employment, service contract or consulting agreement between you and the Company or any Affiliate.

Your Option, and any income derived therefrom are a potential bonus payment not paid in lieu of any cash salary compensation and not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, life or accident insurance benefits, pension or retirement benefits or similar payments.

In the event of the involuntary termination of your Continuous Service, your eligibility to receive payments under this Share Award or the Plan in respect of the unvested portion of your Share Award, if any, will terminate effective as of the date that you are no longer actively employed or retained regardless of any reasonable notice period mandated under local law, except as expressly provided in this International Option Agreement.

The future value of your Option is unknown and cannot be predicted with certainty. You do not have, and will not assert, any claim or entitlement to compensation, indemnity or damages arising from the termination of your Option or diminution in value of your Option and you irrevocably release the Company, its Affiliates and, if applicable, your Employer, if different from the Company or any Affiliate, from any such claim that may arise.

For purposes of this International Option Agreement, your Continuous Service will be considered terminated as of the date you are no longer actively providing services to the Company or an Affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and unless otherwise expressly provided in the Agreement or determined by the Company, (i) your right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, your period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and (ii) the period (if any) during which you may exercise the Option after such termination of your Continuous Service will commence on the date you cease to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any; the Board or its duly authorized designee shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your Option (including whether you may still be considered to be providing services while on a leave of absence).

Neither the Company, the Employer nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation that may affect the value of the Option or of any amounts due to you pursuant to the exercise of the Option or the subsequent sale of any Ordinary Shares acquired upon exercise.

The Plan and this International Option Agreement set forth the entire understanding between you, the Company and any Affiliate regarding your Option and supersedes all prior oral and written agreements pertaining to your Option.

Notices. Any notices provided for in your Option, this International Option Agreement or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan, this International Option Agreement and your Option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting your Option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Governing Plan Document. Your Option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. If there is any conflict between the provisions of this International Option Agreement and those of the Plan, the provisions of the Plan will control.

Effect on Other Employee Benefit Plans. The value of the Option will not be included as compensation, earnings, salaries, or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

Voting Rights. You will not have voting or any other rights as a shareholder of the Company with respect to the shares to be issued pursuant to this International Option Agreement. Nothing contained in this International Option Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

Severability. If all or any part of this International Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this International Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this International Option Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

Waiver. You acknowledge that a waiver by the Company of breach of any provision of the International Option Agreement shall not operate or be construed as a waiver of any other provision of the International Option Agreement, or of any subsequent breach of the International Option Agreement.

Governing Law. The grant of the Option and the provisions of this International Option Agreement are governed by, and subject to, the laws of the Cayman Islands, without regard to the conflict of law provisions. You and the Company each hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Cayman Islands.

Language. If you have received this International Option Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the Option and on any Ordinary Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to provide additional information and documentation and / or sign any additional agreements or undertakings that may be necessary to accomplish the foregoing, including without limitation, at the sole discretion of the Company, requiring you to execute a counterpart signature page and agreement to be bound by any Shareholder Agreement and requiring you to execute an irrevocable proxy and power of attorney authorizing an officer or director of the Company to vote all of your Ordinary Shares (in circumstances where such Ordinary Shares carry voting rights, for example class meetings) and take certain other actions with respect to your Ordinary Shares in his or her sole discretion.

Miscellaneous.

The rights and obligations of the Company under your Option will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by the Company's successors and assigns.

You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Option.

You acknowledge and agree that you have reviewed this International Option Agreement and the Plan in their entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Option, and fully understand all provisions of this International Option Agreement, the Plan and your Option. You further acknowledge that the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Ordinary Shares.

This International Option Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

All obligations of the Company under the Plan and this International Option Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

* * *

This International Option Agreement will be deemed to be signed by you upon the signing by you of the Share Option Grant Notice to which it is attached.

ATTACHMENT II

2019 EQUITY INCENTIVE PLAN

ATTACHMENT III

INTERNATIONAL NOTICE OF EXERCISE

ShouTi Inc.

_____

_____ Date of Exercise: _____

Ladies and Gentlemen:

This constitutes notice under my Option that I elect to purchase the number of Ordinary Shares of ShouTi Inc. (the "***Company***") for the price set forth below (all amounts are in US dollars).

Option dated:	_____
Number of Ordinary Shares as to which option is exercised:	_____
Certificates to be issued in name of:	_____
Total exercise price:	US$_____
Cash, check, bank draft or money order delivered herewith:	US$_____
Regulation T Program (cashless exercise):	US$_____
Value of _____ shares of the Company delivered herewith[7]:	US$_____
Value of _____ shares of the Company pursuant to net exercise[8]:	US$_____

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the ShouTi Inc. 2019 Equity Incentive Plan, and (ii) to provide for the payment by me to you (in the manner designated by you) of your withholding obligation, if any, relating to the exercise of this Option.

I hereby make the following certifications and representations with respect to the number of shares of the Company listed above (the "***Shares***"), which are being acquired by me for my own account upon exercise of this Option as set forth above:

I acknowledge that the Shares have not been registered or qualified under the U.S. Securities Act of 1933 as amended (the "***Securities Act***"), or other applicable securities laws on the ground that the sale of the Shares is exempt from such registration or qualification. I further acknowledge that the Shares are deemed to constitute "restricted securities" under Rule 701 and Rule 144 promulgated under the Securities Act. I warrant and represent to the Company that I have no present intention of distributing or selling said Shares, except as permitted under the Securities Act and any applicable state securities laws and applicable securities laws of any other jurisdiction.

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[7] Shares must meet the public trading requirements set forth in the option. Shares must be valued in accordance with the terms of the option being exercised, and must be owned free and clear of any liens, claims, encumbrances or security interests. Certificates must be endorsed or accompanied by an executed assignment separate from certificate.

[8] ShouTi Inc. must have established net exercise procedures at the time of exercise in order to utilize this payment method.

I further acknowledge that I will not be able to resell the Shares for at least ninety (90) days after the shares of the Company becomes publicly traded (*i.e.,* subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934) under Rule 701 and that more restrictive conditions apply to affiliates of the Company under Rule 144.

I further acknowledge that all certificates representing any of the Shares subject to the provisions of this Option shall have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to the Company's memorandum and articles of association and other constitutional and governance documents (including any Shareholder Agreements) and/or applicable securities laws.

I further acknowledge that the International Option Agreement contains condition to the exercise of this Option which must be satisfied in order to exercise this Option.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Securities Act or under the applicable laws of another jurisdiction under which such securities may be listed, I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares or other securities of the Company for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or under the applicable laws of another jurisdiction under which such securities may be listed, or such longer period as necessary to permit compliance with NASD Rule 2711 or NYSE Member Rule 472 and similar rules and regulations (the "***Lock-Up Period***"). I further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

Very truly yours,

_____

Address:

Exhibit 10.5

SHOUTI INC.

EXECUTIVE EMPLOYMENT AGREEMENT

for

RAYMOND STEVENS

This Executive Employment Agreement (this "**Agreement**"), is made and entered into effective as of May 16, 2019 (the "**Effective Date**"), by and between Raymond Stevens ("**Employee**") and ShouTi Inc., a Delaware corporation (the "**Company**").

1. Employment by the Company.

1.1 Position. Employee shall serve as the Company's Chief Executive Officer, reporting directly to the Company's Board of Directors (the "**Board**") and to the Board of Directors (the "**Parent Board**") of the Company's parent, ShouTi Inc., a Cayman Islands exempted company (the "**Cayman Parent**"). During the term of Employee's employment with the Company, Employee will devote Employee's best efforts and all of Employee's business time and attention to the business of the Company, except as permitted in Section 7 of this Agreement and excluding approved vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies. Employee further agrees not to usurp, for Employee's own personal benefit or gain, any opportunities in the Company's line of business. Employee shall be expected to work on a full-time basis and travel as part of Employee's position.

1.2 Start Date. The Company and Employee acknowledge and agree that Employee's start date with the Company began on May 16, 2019 (the "**Start Date**").

1.3 Duties and Location. Employee shall perform such duties as are customarily associated with the position of Chief Executive Officer, and such other duties as are assigned to Employee by the Board. Employee's primary office locations shall be the Company's facilities in California and Shanghai, China, or at such other locations as mutually agreed. Subject to the terms of this Agreement and applicable law, the Company reserves the right to reasonably require Employee to perform Employee's duties at places other than Employee's primary office location from time to time and to require reasonable business travel.

1.4 Board Membership. As of the Effective Date, Employee shall have been appointed to serve as a member of the Board. For so long as Employee remains the Chief Executive Officer of the Company, the Board will nominate Employee for re-election as a member of the Board. Employee shall serve as a director on the Board without additional compensation. Upon ceasing being Chief Executive Officer of the Company for any reason, Employee shall immediately resign from the Board and the board of directors of any of the Company's subsidiaries.

1.5 Policies and Procedures. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company, including any Employee Handbook adopted by the Company, as well as by all other rules and policies applicable to the Company's professional employees, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

1.6 At-Will Employment. Employee's employment relationship with the Company is at-will. Either the Company or Employee shall have the right to terminate the employment relationship at any time, with or without Cause (as defined below) or advance notice. Should a Company policy exist now or in the future which contradicts this at-will provision, this at-will provision controls the relationship between Employee and the Company. The at-will nature of Employee's employment may only be changed in an express written agreement signed by Employee and a duly authorized officer of the Board. Nothing in this Agreement is intended to modify the at-will employment relationship between the Company and Employee.

2. Compensation.

2.1 Base Salary. For services to be rendered hereunder, for the years ending on each of the first and second anniversaries of Employee's Start Date, Employee shall be paid a base annual salary at the rate of $400,000 (the "**Base Salary**"), less all required and applicable standard payroll deductions and withholdings for federal and state taxes and for any authorized voluntary deductions and payable in accordance with the Company's regular payroll schedule. Employee's Base Salary shall be reviewed at least annually by the Compensation Committee of the Board (the "**Compensation Committee**").

2.2 Sign-On Bonus. Employee shall receive a one-time bonus (the "**Sign-On Bonus**") in the amount of $83,000, less standard payroll deductions and withholdings, which will be paid in a lump sum by the Company on the first regular payroll date following the date this Agreement is fully executed.

2.3 Annual Bonus. Beginning in with the twelve-month period ending May 15, 2021, then for the period beginning May 16, 2021 and ending December 31, 2021, and then for the period beginning January 1, 2022 and ending December 31, 2022 and for each twelve-month period ending December 31 thereafter, Employee will be eligible for an annual target bonus (the "**Annual Bonus**") equal to thirty-three percent (33%) of Employee's then current Base Salary at a "meeting expectations" level of achievement (the "**Target Bonus Amount**"). The actual Annual Bonus may be as high as fifty-five percent (55%) of Employee's then current Base Salary at an "exceeding expectations" level of achievement. The Annual Bonus for the period ending December 31, 2021 shall be prorated to match the portion of the year to which it applies. Whether Employee receives an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined in the good faith reasonable discretion of the Board, which determination will be based upon the Company's and Employee's achievement of objectives and milestones. The Company's and Employee's objectives and milestones will be established on an annual basis by the Board (or Compensation Committee thereof) in consultation with the Employee, which objectives and milestones may provide for payments above and below target based on the level of performance achievement. No Annual Bonus is guaranteed and, in addition to the other conditions for earning such compensation, and except as provided for in Section 8 below, Employee must remain an employee in good standing of the Company on the date the Annual Bonus is paid in order to be eligible for and earn any Annual Bonus. For the twelve month period ending May 15, 2020, Employee will not be eligible for an Annual Bonus, but will receive the Sign-On Bonus instead.

3. Standard Company Benefits. Employee shall, in accordance with Company policy and the terms and conditions of the applicable Company benefit plan documents, be eligible to participate in the benefit and fringe benefit programs provided by the Company to its executive officers and other employees from time to time. Except as provided below in this Section 3, Employee shall also be entitled to paid sick leave, paid time off, and holidays as outlined in the Company's employment policies, and as otherwise required by applicable law. Employee shall also be entitled to all other holiday and paid time off generally available to other executives of the Company. Any such benefits shall be subject to the terms and conditions of the governing benefit plans and policies, as well as the Company's policies and may be changed by the Company in its discretion.

4. Expenses / Legal Fees. The Company will reimburse Employee for reasonable travel, entertainment or other expenses incurred by Employee in furtherance or in connection with the performance of Employee's duties hereunder, in accordance with applicable law and the Company's expense reimbursement policy as in effect from time to time. Additionally, upon presentation of appropriate documentation, the Company shall reimburse Employee's reasonable counsel fees incurred in connection with the negotiation and documentation of this Agreement (the "**Legal Fees**"); provided however, that in no event shall the Company's payment obligations with regard to the Legal Fees exceed $15,000 in the aggregate.

5. Equity.

5.1 Options. The Company will recommend to its Compensation Committee that Employee be granted an option to purchase 100,000 Ordinary Shares of the Cayman Parent (the "**Option**"). Grant of the Option is subject to the approval of the Parent Board. If granted, the Option shall vest over four years of Employee's continuous service with the Company, with twenty-five percent (25%) of the shares subject to the Option grant becoming vested on the first year anniversary of the Start Date, and the remaining shares becoming vested in equal monthly installments over the following thirty-six (36) months of Employee's continuous service. The exercise price of the Option, as well as all other matters related to the Option, will be governed by and subject to the terms and conditions set forth in the Cayman Parent's 2019 Equity Incentive Plan (the "**Equity Plan**"), and the stock option agreement Employee will be required to electronically accept.

6. Proprietary Information Obligations.

6.1 Proprietary Information Agreement. As a condition of employment, Employee shall execute and abide by the Company's standard form of Employee Confidential Information and Invention Assignment Agreement (the "**CIIAA**").

6.2 Third-Party Agreements and Information. Employee represents and warrants that Employee's employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that Employee will perform Employee's duties to the Company without violating any such agreement. Employee represents and warrants that Employee does not possess confidential information arising out of prior employment, consulting, or other third party relationships, that would be used in connection with Employee's employment by the Company, except as expressly authorized by that third party. During Employee's employment by the Company, Employee will use in the performance of Employee's duties only information that is generally known and used by persons with training and experience comparable to Employee's own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by Employee in the course of Employee's work for the Company. In addition, Employee represents that Employee has disclosed to the Company in writing any agreement Employee may have with any third party (e.g., a former employer) which may limit Employee's ability to perform Employee's duties to the Company, or which could present a conflict of interest with the Company, including but not limited to disclosure (and a copy) of any contractual restrictions on solicitations or competitive activities.

7. Outside Activities and Non-Competition During Employment.

7.1 Outside Activities. Throughout Employee's employment with the Company, Employee may engage in civic and not-for-profit activities so long as such activities do not interfere with the performance of Employee's duties hereunder or present a conflict of interest with the Company or its affiliates. Subject to the restrictions set forth herein, and only with prior written disclosure to and consent of the Board (which consent will not be unreasonably withheld), Employee may engage in other types of business or public activities. The Board may rescind such consent, if the Board determines, in its sole discretion, that such activities compromise or threaten to compromise the Company's or its affiliates' business interests or conflict with Employee's duties to the Company or its affiliates. Notwithstanding the foregoing, Employee shall be permitted to continue his activities for University of Southern California, iHuman Institute/ShanghaiTech University, Danaher and Bird Rock Bio; provided that the time commitment relating thereto remains substantially the same as in the recent past, and that such activities do not compromise the Company's business interests or conflict with Employee's duties to the Company.

7.2 Non-Competition During Employment. Throughout Employee's employment with the Company, Employee will not, without the express written consent of the Board, directly or indirectly serve as an officer, director, stockholder, employee, partner, proprietor, investor, joint ventures, associate, representative or consultant of any person or entity engaged in, or planning or preparing to engage in, business activity competitive with any line of business engaged in (or planned to be engaged in) by the Company or its affiliates; provided, however, that Employee may purchase or otherwise acquire up to (but not more than) one percent (1%) of any class of securities of any enterprise (without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange. In addition, Employee will be subject to certain restrictions (including restrictions continuing after Employee's employment ends) outlined in the terms of the CIIAA.

8. Termination of Employment; Severance and Change in Control Benefits.

8.1 Termination Without Cause or Resignation for Good Reason Unrelated to Change in Control. In the event Employee's employment with the Company is terminated by the Company without Cause (as defined below), and other than as a result of Employee's death or Disability (as defined below), or Employee resigns for Good Reason, in either case, at any time except during the Change in Control Period (as defined below), then provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), and provided that Employee satisfies the Release Requirement in Section 9 below, and remains in compliance with the terms of this Agreement and the CIIAA, the Company shall provide Employee with the following "**Severance Benefits***"*:

8.1.1 Severance Payments. Employee shall receive severance pay in the form of continuation of Employee's final monthly Base Salary for a period of six (6) months (or, if either the Company or the Cayman Parent is then publicly traded, then for a period of twelve (12) months)) following termination, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**Severance Payments**"). Subject to Section 10 below, the Severance Payments shall be made on the Company's regular payroll schedule in effect following Employee's Separation from Service date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date (as defined below) shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, Employee's final Base Salary will be calculated prior to giving effect to any reduction in Base Salary that would give rise to Employee's right to resign for Good Reason.

8.1.2 Target Bonus / Prior Year Bonus. Employee shall also receive an amount equal to one-half (1/2) of the Target Bonus Amount for the year in which the Separation from Service occurs (or, if either the Company or the Cayman Parent is then publicly-traded, then equal to 100% of the Target Bonus Amount), payable in a lump sum within sixty (60) days following the Separation from Service date and subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**Termination Bonus**"). For clarity, if such termination occurs prior to May 15, 2020, Employee's Target Bonus Amount shall be deemed to be the amount of the Sign-On Bonus. In addition, if Employee's Separation from Service occurs prior to Employee's receipt of an Annual Bonus payment for the completed calendar year that immediately precedes the calendar year of the Separation from Service, Employee shall also receive an Annual Bonus payment for such preceding calendar year, pursuant to the conditions of Section 2.3 above (the "**Prior Year Bonus**"). The Prior Year Bonus shall be paid, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings, in the calendar year following the year to which the Annual Bonus payment relates, at the same time as the annual bonuses for such calendar year are generally paid to other executives; provided, however that if such payment date is prior to the Release Effective Date (as defined below), the Prior Year Bonus shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

8.1.3 Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If Employee timely elects continued coverage under COBRA, the Company will reimburse Employee's COBRA premiums to continue Employee's coverage (including coverage for Employee's eligible dependents, if applicable) ("**COBRA Premiums**") through the period starting on the Separation from Service date and ending six (6) months (or if either the Company or the Cayman Parent is then publicly-traded, then twelve (12) months) after the Separation from Service date (the "**COBRA Premium Period**"); provided, however, that the Company's provision of such COBRA Premium benefits will immediately cease if during the COBRA Premium Period Employee becomes eligible for group health insurance coverage through a new employer or Employee ceases to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event Employee becomes covered under another employer's group health plan or otherwise ceases to be eligible for COBRA during the COBRA Premium Period, Employee must immediately notify the Company, in writing, of such event.

(ii) Special Cash Payments in Lieu of COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether Employee or Employee's dependents elect or are eligible for COBRA coverage, the Company instead shall pay to Employee, on the first day of each calendar month following the Separation from Service date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for Employee's eligible dependents), subject to applicable federal and state tax withholdings and required or voluntarily authorized deductions (such amount, the "**Special Cash Payment**"), for the remainder of the COBRA Premium Period. Employee may, but is not obligated to, use such Special Cash Payments toward the cost of COBRA premiums or toward premium costs under an individual health plan.

8.1.4 Equity Acceleration. Notwithstanding anything to the contrary set forth in the Equity Plan, any other equity incentive plans or any award agreement, effective as of Employee's Separation from Service date, the vesting and exercisability of the unvested time-based equity awards then held by Employee shall accelerate as if Employee had provided an additional six (6) months (or, if either the Company or the Cayman Parent is then publicly-traded, then twelve (12) months), of continued services following the Separation from Service date (with monthly pro rated vesting during the first year of service), and each such equity award shall remain exercisable, if applicable, following Employee's Separation from Service as set forth in the applicable equity award documents. With respect to any performance-based vesting equity award, such award shall continue to be governed in all respects by the terms of the applicable equity award documents.

8.2 Termination Without Cause or Resignation for Good Reason During Change in Control Period. In the event Employee's employment with the Company is terminated by the Company without Cause (and other than as a result of Employee's death or Disability) at any time during the Change in Control Period, or Employee resigns for Good Reason at any time during the Change in Control Period, *in lieu of* (*and not additional to*) the Severance Benefits described in Section 8.1, and provided that Employee satisfies the Release Requirement in Section 9 below and remains in compliance with the terms of this Agreement and the CIIAA, the Company shall instead provide Employee with the following "**CIC Severance Benefits**". For the avoidance of doubt: (i) in no event will Employee be entitled to severance benefits under both Section 8.1 and this Section 8.2, and (ii) if the Company has commenced providing Severance Benefits to Employee under Section 8.1 prior to the date that Employee becomes eligible to receive CIC Severance Benefits under this Section 8.2, the Severance Benefits previously provided to Employee under Section 8.1 of this Agreement shall reduce the CIC Severance Benefits provided under this Section 8.2:

8.2.1 CIC Severance Payment. Employee shall receive a severance pay in an amount equal to Employee's final annual Base Salary *plus* Employee's final Target Bonus Amount (which, for purposes of this Section 8.2, shall be equal to the Sign-On Bonus if such termination event occurs prior to May 15, 2020), subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**CIC Severance Payments**"). Subject to Section 10 below, the CIC Severance Payments shall be made on the Company's regular payroll schedule over the period of twelve (12) months following Employee's Separation from Service date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date (as defined below) shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, Employee's final Base Salary and Target Bonus Amount will be calculated prior to giving effect to any reduction in Base Salary that would give rise to Employee's right to resign for Good Reason.

8.2.2 CIC Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If Employee timely elects continued coverage under COBRA, the Company will reimburse Employee's COBRA premiums to continue Employee's coverage (including coverage for Employee's eligible dependents, if applicable) ("**CIC COBRA Premiums**") through the period starting on the Separation from Service date and ending twelve (12) months after the Separation from Service date (the "**CIC COBRA Premium Period**"); provided, however, that the Company's provision of such CIC COBRA Premium benefits will immediately cease if during the CIC COBRA Premium Period, Employee becomes eligible for group health insurance coverage through a new employer or Employee ceases to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event Employee becomes covered under another employer's group health plan or otherwise ceases to be eligible for COBRA during the CIC COBRA Premium Period, Employee must immediately notify the Company, in writing, of such event.

(ii) Special Cash Payments in Lieu of CIC COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the CIC COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether Employee or Employee's dependents elect or are eligible for COBRA coverage, the Company instead shall pay to Employee, on the first day of each calendar month following the Separation from Service date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for Employee's eligible dependents), subject to applicable federal and state tax withholdings (such amount, the "**Special CIC Cash Payment**"), for the remainder of the CIC COBRA Premium Period. Employee may, but is not obligated to, use such Special CIC Cash Payments toward the cost of COBRA premiums.

8.2.3 Prior Year Bonus. If Employee's Separation from Service occurs prior to Employee's receipt of an Annual Bonus payment for the completed calendar year that immediately precedes the calendar year of the Separation from Service, Employee shall also receive the Prior Year Bonus. The Prior Year Bonus shall be paid, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings, in the calendar year following the year to which the Annual Bonus payment relates, at the same time as the annual bonuses for such calendar year are generally paid to other executives; provided, however that if such payment date is prior to the Release Effective Date (as defined below), the Prior Year Bonus shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

8.2.4 Equity Acceleration. Notwithstanding anything to the contrary set forth in the Equity Plan, any other equity incentive plans or any award agreement, effective as of Employee's employment Separation from Service date that occurs during the Change in Control Period, the vesting and exercisability of all equity awards then held by Employee shall accelerate such that all shares become immediately vested and, if applicable, exercisable by Employee upon such Separation from Service and shall remain exercisable (if such award is capable of being exercised) following Employee's Separation from Service as set forth in the applicable equity award documents, with any performance-based equity awards accelerating at the "target" level of achievement.

8.3 Termination for Death or Disability. In the event Employee's employment with the Company is terminated due to Employee's death or Disability at any time, *in lieu of* (*and not additional to*) the Severance Benefits and CIC Severance Benefits described in Sections 8.1 and 8.2 above, and provided that Employee or his heirs or estate satisfies the Release Requirement in Section 9 below and remains in compliance with the terms of this Agreement and the CIIAA, Employee (or his heirs or estate) shall receive the prorated amount of the Target Bonus Amount for the year in which the Separation from Service occurs equal to the product of (i) and (ii), where (i) is the product of (a) Employee's final Base Salary (but before giving effect to any reduction in Base Salary that would give rise to Employee's right to resign for Good Reason) and (b) the percentage to achieve a Target Bonus Amount set forth in Section 2.3 above and where (ii) is (a) the number of days elapsed in the calendar year prior to the date on which the Separation from Service occurs divided by (b) 365 *plus* the Prior Year Bonus (if applicable), pursuant to the terms and conditions of Section 8.1.2 above (the "**Death or Disability Benefits**"). Notwithstanding the foregoing, Employee will not be entitled to the payments described in this Section 8.3 if Employee's death or Disability is due to suicide or to Employee's participation in an activity involving a significant risk of personal injury or death.

8.4 Termination for Cause; Resignation Without Good Reason. Employee will not be eligible for, or entitled to any severance benefits, including (without limitation) the Severance Benefits and CIC Severance Benefits listed in Sections 8.1 and 8.2 above, or the Death and Disability Benefits listed in Section 8.3, if the Company terminates Employee's employment for Cause or Employee resigns Employee's employment without Good Reason.

9. Conditions to Receipt of Severance Benefits and CIC Severance Benefits. To be eligible for any of the Severance Benefits, CIC Severance Benefits or Death or Disability Benefits pursuant to Sections 8.1, 8.2, or 8.3 above, Employee must satisfy the following release requirement (the "**Release Requirement**"): return to the Company a signed and dated general release of all known and unknown claims in a separation agreement acceptable to the Company (the "**Release**"), which shall among other things include a mutual non-disparagement provision, but will not release Employee's right to severance benefits (pursuant to the terms and conditions of Section 8 of this Agreement), or to indemnification against third party claims (pursuant to any written indemnification agreement with the Company to which Employee is a party, the charter, bylaws, or operating agreements of the Company, or under applicable law), and will not increase the scope or duration of any post-employment restrictions on Employee's activities, within the applicable deadline set forth therein, but in no event later than forty-five (45) calendar days following Employee's Separation from Service date, and permit the Release to become effective and irrevocable in accordance with its terms (such effective date of the Release, the "**Release Effective Date**"). No Severance Benefits, CIC Severance Benefits or Death or Disability Benefits will be paid hereunder prior to the Release Effective Date. Accordingly, if Employee breaches the preceding sentence and/or refuses to sign and deliver to the Company an executed Release or signs and delivers to the Company the Release but exercises Employee's right, if any, under applicable law to revoke the Release (or any portion thereof), then Employee will not be entitled to any severance, payment or benefit under this Agreement.

10. Section 409A. It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Employee's right to receive any installment payments under this Agreement (whether Severance Payments, CIC Severance Payments, Death or Disability Payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if Employee is deemed by the Company at the time of Employee's Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to Employee prior to the earliest of (i) the expiration of the six-month and one day period measured from the date of Employee's Separation from Service with the Company, (ii) the date of Employee's death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section shall be paid in a lump sum to Employee, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. If the Company determines that any Severance Benefits or CIC Severance Benefits provided under this Agreement constitutes "deferred compensation" under Section 409A, and if necessary to avoid taxation under Section 409A, for purposes of determining the schedule for payment of the severance benefits, the effective date of the Release will not be deemed to have occurred any earlier than the sixtieth (60th) date following the Separation From Service, regardless of when the Release actually becomes effective. In addition to the above, to the extent required to comply with Section 409A and the applicable regulations and guidance issued thereunder, if the applicable deadline for Employee to execute (and not revoke) the applicable Release spans two calendar years, payment of the applicable Severance Benefit, CIC Severance Benefits, or Death or Disability Benefits shall not commence until the beginning of the second calendar year. To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts reimbursable to Employee under this Agreement shall be paid to Employee on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Employee) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to any such payment.

11. Section 280G; Limitations on Payment.

11.1 If any payment or benefit Employee will or may receive from the Company or otherwise (a "**280G Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then any such 280G Payment provided pursuant to this Agreement (a "**Payment**") shall be equal to the Reduced Amount. The "**Reduced Amount**" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Employee's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for Employee. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**").

11.2 Notwithstanding any provision of Section 11.1 to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Employee as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (*e.g.*, being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

11.3 Unless Employee and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 11. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Employee and the Company within fifteen (15) calendar days after the date on which Employee's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Employee or the Company) or such other time as requested by Employee or the Company.

11.4 If Employee receives a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 11.1 and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Employee agrees to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 11.1) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 11.1, Employee shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

12. Definitions.

12.1 Cause. For purposes of this Agreement, "**Cause**" means the occurrence of any one or more of the following: (i) Employee's conviction of or plea of guilty or *nolo contendere* to any felony or a crime of moral turpitude; (ii) Employee's willful and continued refusal to follow lawful and reasonable written instructions of the Board or lawful and reasonable written policies and regulations of the Company or its affiliates; (iii) Employee's willful and continued refusal to faithfully and diligently perform the assigned duties of Employee's employment with the Company or its affiliates; (iv) fraudulent conduct by Employee; (v) willful misconduct by Employee that materially injures the Company or any affiliate or materially injures the reputation, character and standing of the Company or any affiliate; or (vi) material injury to the Company based on Employee's willful and material breach of this Agreement, the CIIAA, or any written Company policies. An event described in Section 12.1(ii) through Section 12.1(vi) herein shall not be treated as "Cause" until after Employee has been given written notice of such event, failure, conduct or breach and Employee fails to cure such event, failure, conduct or breach within 30 calendar days from such written notice; provided, however, that such 30-day cure period shall not be required if the event, failure, conduct or breach is reasonably determined to be incapable of being cured by the Company.

12.2 Change in Control. For purposes of this Agreement, "**Change in Control**" shall have the meaning described in the Cayman Parent's 2019 Equity Incentive Plan.

12.3 Change in Control Period. For purposes of this Agreement, "**Change in Control Period**" means the time period commencing three (3) months before the effective date of a Change in Control and ending on the date that is twelve (12) months after the effective date of a Change in Control.

12.4 Disability. For purposes of this Agreement, "**Disability**" means the inability of Employee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

12.5 Good Reason. For purposes of this Agreement, Employee shall have "**Good Reason**" for resignation from employment with the Company if any of the following actions are taken by the Company without Employee's prior written consent: (i) a reduction in Employee's Base Salary, unless in the same percentage as a salary reduction program applicable generally to the Company's senior executives; (ii) a material reduction in Employee's duties, responsibilities or authority, including removal of requirement to report to anyone other than the Board or the Parent Board; (iii) the material breach by the Company of this Agreement; or (iv) the relocation of Employee's principal place of employment to a place that increases Employee's one-way commute by more than twenty-five (25) miles as compared to Employee's then-current principal place of employment immediately prior to such relocation. In order for Employee to resign for Good Reason, each of the following requirements must be met: (A) Employee must provide written notice to the Board within ninety (90) calendar days after Employee's first knowledge of the event giving rise to Good Reason setting forth the basis for Employee's resignation, (B) Employee must allow the Company at least thirty (30) calendar days from receipt of such written notice to cure such event, (C) such event is not reasonably cured by the Company within such 30 calendar day period (the "**Cure Period**"), and (D) Employee must resign in writing from all positions Employee then holds with the Company not later than ninety (90) calendar days after the expiration of the Cure Period.

13. Dispute Resolution/Agreement to Arbitrate Claims. To ensure the rapid and economical resolution of disputes that may arise in connection with Employee's employment with the Company, Employee and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, Employee's employment with the Company, or the termination of Employee's employment from the Company, will be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1, *et seq*. and to the fullest extent permitted by law, by final, binding and confidential arbitration. Except as provided below, the Company and Employee agree that confidential arbitration is the exclusive, final and biding method for resolving all such claims.

13.1 Claims Covered By this Agreement. Disputes that are subject to arbitration under this Agreement include, but are not limited to, claims for wages or other compensation due, including claims for overtime; meal or rest break claims; claims for breach of any contract or covenant (express or implied); tort claims, including, but not limited to claims for defamation, intentional infliction of emotional distress, invasion of privacy, and all negligence-based claims; personal injury claims; claims for discrimination, harassment and/or retaliation in employment including, but no limited to claims under the California Fair Employment and Housing Act, the California Labor Code, claims arising under Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, the Equal Pay Act, the Employee Retirement Income Security Act, the California Family Rights Act of 1964, the Family and Medical Leave Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Worker Benefit Protection Act, the Sarbanes-Oxley Act, all as they may have been amended from time to time, claims for misclassification, and claims for violation of common law or any other federal, state, or local laws relating to employment or separation from employment or benefits associated with employment or separation for employment.

13.2 Claims Not Covered By this Agreement. Claims for workers' compensation, unemployment insurance, claims for injunctive relief, and claims under California Private Attorneys General Act of 2004, as amended, are not covered by this Agreement. Nothing in this Agreement is intended to prevent Employee from filing an administrative claim with the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing. Moreover, both Employee and the Company may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement and/or enforce and arbitration award.

13.3 Arbitration Rules and Procedures. The arbitration is to be conducted in or near the city in which Employee is or was last employed by the Company by JAMS, Inc. ("**JAMS**") or its successors before a mutually selected single neutral arbitrator, under JAMS' then applicable rules and procedures for employment disputes (which will be provided to Employee upon request); provided that the arbitrator shall: (i) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (ii) issue a written arbitration decision including the arbitrator's essential findings and conclusions on which the award was based and a statement of the award. Employee and the Company shall be entitled to all rights and remedies that either would be entitled to pursue in a court of law. Questions of whether a claim is subject to arbitration under this Agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. To the maximum extent permitted by applicable law, all claims, disputes, or causes of action under this section, whether by Employee or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The Arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. **BOTH EMPLOYEE AND THE COMPANY ACKNOWLEDGE THAT BY AGREEING TO THIS ARBITRATION PROCEDURE, THEY WAIVE THE RIGHT TO RESOLVE ANY SUCH DISPUTE THROUGH A TRIAL BY JURY OR JUDGE OR ADMINISTRATIVE PROCEEDING**. The Company shall pay all filing fees in excess of those which would be required if the dispute were decided in a court of law (that is, costs that are unique to arbitration) and shall pay the arbitrator's fee. Each party shall pay the fees of its attorneys, the expenses of its witnesses, and any other costs and expenses that the party incurs in connection with the arbitration; provided that an arbitrator may award attorneys' fees to the prevailing party, if the arbitrator determines in its sole discretion that such an award is permitted by applicable law. Any dispute as to whether a cost is unique to arbitration will be exclusively resolved by the arbitrator. Both the Employee and the Company have the right to be represented by legal counsel at any arbitration proceeding. The arbitration proceedings will be confidential to the extent permitted by law. Employee and the Company will maintain all information and documents exchanged in connection with and in the course of the arbitration as confidential, except to the extent the disclosure of such information or documentation is necessary to enforce any award or challenge any award as permitted by the applicable law.

13.4. No Change in At-Will Employment. This agreement to arbitrate claims is not a contract of employment, expressed or implied, and Employee and the Company acknowledge that Employee's employment with the Company is at-will and that this agreement does not change the "at-will" status of Employee's employment. **BOTH EMPLOYEE AND THE COMPANY ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS OF SECTION 13, AGREEMENT TO ARBITRATE CLAIMS, AND AGREE TO BE BOUND BY ITS TERMS.**

14. General Provisions.

14.1 Notices. Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by email upon confirmation of receipt) or the next day after sending by overnight carrier, to the Company at its primary office location and to Employee at the address as listed on the Company payroll.

14.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the Company and the Employee ("the **Parties**").

14.3 Waiver. Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

14.4 Complete Agreement. This Agreement, together with the CIIAA, constitutes the entire agreement between Employee and the Company with regard to the subject matter hereof and is the complete, final, and exclusive embodiment of the Company's and Employee's agreement with regard to this subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. It cannot be modified or amended except in a writing signed by a duly authorized officer of the Company, with the exception of those changes expressly reserved to the Company's discretion in this Agreement.

14.5 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but both of which taken together will constitute one and the same Agreement.

14.6 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

14.7 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Employee and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Employee may not assign any of Employee's duties hereunder and Employee may not assign any of Employee's rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

14.8 Tax Withholding. All payments and awards contemplated or made pursuant to this Agreement will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. Employee acknowledges and agrees that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. Employee has had the opportunity to retain a tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to this Agreement.

14.9 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California.

In Witness Whereof, the Parties have executed this Agreement to become effective as of the Effective Date written above.

ShouTi Inc., a Delaware corporation

By: **/s/ Weimin Lin**
Weimin Liu
Attorney-in-fact

Employee

/s/ Raymond Stevens
Raymond Stevens

SHOUTI INC.

EXECUTIVE EMPLOYMENT AGREEMENT

for

JUN YOON

This Executive Employment Agreement (this "**Agreement**"), is made and entered into effective as of May 1, 2019 (the "**Effective Date**"), by and between Jun Yoon ("**Employee**") and ShouTi Inc., a Delaware corporation (the "**Company**").

1. Employment by the Company.

1.1 Position. Employee shall serve as the Company's Chief Operation Officer, reporting the Company's Chief Executive Officer. During the term of Employee's employment with the Company, Employee will devote Employee's best efforts and all of Employee's business time and attention to the business of the Company, except as permitted in Section 7 of this Agreement and excluding approved vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies. Employee further agrees not to usurp, for Employee's own personal benefit or gain, any opportunities in the Company's line of business. Employee shall be expected to work on a full-time basis and travel as part of Employee's position.

1.2 Start Date. The Company and Employee acknowledge and agree that Employee's start date with the Company began on April 29, 2019 (the "**Start Date**").

1.3 Duties and Location. Employee shall perform such duties as are customarily associated with the position of Chief Operation Officer, and such other duties as are assigned to Employee by the Company's Board of Directors (the "**Board**"). Employee's primary office locations shall be the Company's facilities in California and Shanghai, China, or at such other locations as mutually agreed. Subject to the terms of this Agreement and applicable law, the Company reserves the right to reasonably require Employee to perform Employee's duties at places other than Employee's primary office location from time to time and to require reasonable business travel.

1.4 Board Membership. As of the Effective Date, Employee shall have been appointed to serve as a member of the Board. For so long as Employee remains the Chief Operation Officer of the Company, the Board will nominate Employee for re-election as a member of the Board. Employee shall serve as a director on the Board without additional compensation. Upon ceasing being Chief Operation Officer of the Company for any reason, Employee shall immediately resign from the Board and the board of directors of any of the Company's affiliates.

1.5 Policies and Procedures. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company, including any Employee Handbook adopted by the Company, as well as by all other rules and policies applicable to the Company's professional employees, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

1.6 At-Will Employment. Employee's employment relationship with the Company is at-will. Either the Company or Employee shall have the right to terminate the employment relationship at any time, with or without Cause (as defined below) or advance notice. Should a Company policy exist now or in the future which contradicts this at-will provision, this at-will provision controls the relationship between Employee and the Company. The at-will nature of Employee's employment may only be changed in an express written agreement signed by Employee and a duly authorized officer of the Board. Nothing in this Agreement is intended to modify the at-will employment relationship between the Company and Employee.

2. Compensation.

2.1 Base Salary. For services to be rendered hereunder, for the years ending on each of the first and second anniversaries of Employee's Start Date, Employee shall be paid a base annual salary at the rate of $295,000 (the "**Base Salary**"), less all required and applicable standard payroll deductions and withholdings for federal and state taxes and for any authorized voluntary deductions and payable in accordance with the Company's regular payroll schedule. Employee's Base Salary shall be reviewed at least annually by the Compensation Committee (the "**Compensation Committee**") of the Board of Directors of the Company's parent, ShouTi Inc., a Cayman Islands exempted company (the "**Cayman Parent**").

2.2 Annual Bonus. Beginning in with the twelve-month period ending December 31, 2021 and for each twelve-month period ending December 31 thereafter, Employee will be eligible for an annual target bonus (the "**Annual Bonus**") equal to twenty-five percent (25%) of Employee's then current Base Salary at a "meeting expectations" level of achievement (the "**Target Bonus Amount**"). The actual Annual Bonus may be as high as thirty-five percent (35%) of Employee's then current Base Salary at an "exceeding expectations" level of achievement. Whether Employee receives an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined in the good faith reasonable discretion of the Board, which determination will be based upon the Company's and Employee's achievement of objectives and milestones. The Company's and Employee's objectives and milestones will be established on an annual basis by the Board (or Compensation Committee thereof) in consultation with the Employee, which objectives and milestones may provide for payments above and below target based on the level of performance achievement. No Annual Bonus is guaranteed and, in addition to the other conditions for earning such compensation, and except as provided for in Section 8 below, Employee must remain an employee in good standing of the Company on the date the Annual Bonus is paid in order to be eligible for and earn any Annual Bonus.

3. Standard Company Benefits. Employee shall, in accordance with Company policy and the terms and conditions of the applicable Company benefit plan documents, be eligible to participate in the benefit and fringe benefit programs provided by the Company to its executive officers and other employees from time to time. Except as provided below in this Section 3, Employee shall also be entitled to paid sick leave, paid time off, and holidays as outlined in the Company's employment policies, and as otherwise required by applicable law. Employee shall also be entitled to all other holiday and paid time off generally available to other executives of the Company. Any such benefits shall be subject to the terms and conditions of the governing benefit plans and policies, as well as the Company's policies and may be changed by the Company in its discretion.

4. Expenses. The Company will reimburse Employee for reasonable travel, entertainment or other expenses incurred by Employee in furtherance or in connection with the performance of Employee's duties hereunder, in accordance with applicable law and the Company's expense reimbursement policy as in effect from time to time.

5. Equity.

5.1 Options. The Company will recommend to the Compensation Committee that Employee be granted an option to purchase 100,000 Ordinary Shares of the Cayman Parent (the "**Option**"). Grant of the Option is subject to the approval of the Parent Board. If granted, the Option shall vest over four years of Employee's continuous service with the Company, with twenty-five percent (25%) of the shares subject to the Option grant becoming vested on the first year anniversary of the Start Date, and the remaining shares becoming vested in equal monthly installments over the following thirty-six (36) months of Employee's continuous service. The exercise price of the Option, as well as all other matters related to the Option, will be governed by and subject to the terms and conditions set forth in the Cayman Parent's 2019 Equity Incentive Plan (the "**Equity Plan**"), and the stock option agreement Employee will be required to electronically accept.

6. Proprietary Information Obligations.

6.1 Proprietary Information Agreement. As a condition of employment, Employee shall execute and abide by the Company's standard form of Employee Confidential Information and Invention Assignment Agreement (the "**CIIAA**").

6.2 Third-Party Agreements and Information. Employee represents and warrants that Employee's employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that Employee will perform Employee's duties to the Company without violating any such agreement. Employee represents and warrants that Employee does not possess confidential information arising out of prior employment, consulting, or other third party relationships, that would be used in connection with Employee's employment by the Company, except as expressly authorized by that third party. During Employee's employment by the Company, Employee will use in the performance of Employee's duties only information that is generally known and used by persons with training and experience comparable to Employee's own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by Employee in the course of Employee's work for the Company. In addition, Employee represents that Employee has disclosed to the Company in writing any agreement Employee may have with any third party (e.g., a former employer) which may limit Employee's ability to perform Employee's duties to the Company, or which could present a conflict of interest with the Company, including but not limited to disclosure (and a copy) of any contractual restrictions on solicitations or competitive activities.

7. Outside Activities and Non-Competition During Employment.

7.1 Outside Activities. Throughout Employee's employment with the Company, Employee may engage in civic and not-for-profit activities so long as such activities do not interfere with the performance of Employee's duties hereunder or present a conflict of interest with the Company or its affiliates. Subject to the restrictions set forth herein, and only with prior written disclosure to and consent of the Board (which consent will not be unreasonably withheld), Employee may engage in other types of business or public activities. The Board may rescind such consent, if the Board determines, in its sole discretion, that such activities compromise or threaten to compromise the Company's or its affiliates' business interests or conflict with Employee's duties to the Company or its affiliates.

7.2 Non-Competition During Employment. Throughout Employee's employment with the Company, Employee will not, without the express written consent of the Board, directly or indirectly serve as an officer, director, stockholder, employee, partner, proprietor, investor, joint ventures, associate, representative or consultant of any person or entity engaged in, or planning or preparing to engage in, business activity competitive with any line of business engaged in (or planned to be engaged in) by the Company or its affiliates; provided, however, that Employee may purchase or otherwise acquire up to (but not more than) one percent (1%) of any class of securities of any enterprise (without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange. In addition, Employee will be subject to certain restrictions (including restrictions continuing after Employee's employment ends) outlined in the terms of the CIIAA.

8. Termination of Employment; Severance and Change in Control Benefits.

8.1 Termination Without Cause or Resignation for Good Reason Unrelated to Change in Control. In the event Employee's employment with the Company is terminated by the Company without Cause (as defined below), and other than as a result of Employee's death or Disability (as defined below), or Employee resigns for Good Reason, in either case, at any time except during the Change in Control Period (as defined below), then provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), and provided that Employee satisfies the Release Requirement in Section 9 below, and remains in compliance with the terms of this Agreement and the CIIAA, the Company shall provide Employee with the following "**Severance Benefits**":

8.1.1 Severance Payments. Employee shall receive severance pay in the form of continuation of Employee's final monthly Base Salary for a period of six (6) months (or, if either the Company or the Cayman Parent is then publicly traded, then for a period of twelve (12) months)) following termination, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**Severance Payments**"). Subject to Section 10 below, the Severance Payments shall be made on the Company's regular payroll schedule in effect following Employee's Separation from Service date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date (as defined below) shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, Employee's final Base Salary will be calculated prior to giving effect to any reduction in Base Salary that would give rise to Employee's right to resign for Good Reason.

8.1.2 Target Bonus / Prior Year Bonus. Employee shall also receive an amount equal to one-half (1/2) of the Target Bonus Amount for the year in which the Separation from Service occurs (or, if either the Company or the Cayman Parent is then publicly-traded, then equal to 100% of the Target Bonus Amount), payable in a lump sum within sixty (60) days following the Separation from Service date and subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**Termination Bonus**"). In addition, if Employee's Separation from Service occurs prior to Employee's receipt of an Annual Bonus payment for the completed calendar year that immediately precedes the calendar year of the Separation from Service, Employee shall also receive an Annual Bonus payment for such preceding calendar year, pursuant to the conditions of Section 2.2 above (the "**Prior Year Bonus**"). The Prior Year Bonus shall be paid, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings, in the calendar year following the year to which the Annual Bonus payment relates, at the same time as the annual bonuses for such calendar year are generally paid to other executives; provided, however that if such payment date is prior to the Release Effective Date (as defined below), the Prior Year Bonus shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

8.1.3 Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If Employee timely elects continued coverage under COBRA, the Company will reimburse Employee's COBRA premiums to continue Employee's coverage (including coverage for Employee's eligible dependents, if applicable) ("**COBRA Premiums**") through the period starting on the Separation from Service date and ending six (6) months (or if either the Company or the Cayman Parent is then publicly-traded, then twelve (12) months) after the Separation from Service date (the "**COBRA Premium Period**"); provided, however, that the Company's provision of such COBRA Premium benefits will immediately cease if during the COBRA Premium Period Employee becomes eligible for group health insurance coverage through a new employer or Employee ceases to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event Employee becomes covered under another employer's group health plan or otherwise ceases to be eligible for COBRA during the COBRA Premium Period, Employee must immediately notify the Company, in writing, of such event.

(ii) Special Cash Payments in Lieu of COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether Employee or Employee's dependents elect or are eligible for COBRA coverage, the Company instead shall pay to Employee, on the first day of each calendar month following the Separation from Service date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for Employee's eligible dependents), subject to applicable federal and state tax withholdings and required or voluntarily authorized deductions (such amount, the "**Special Cash Payment**"), for the remainder of the COBRA Premium Period. Employee may, but is not obligated to, use such Special Cash Payments toward the cost of COBRA premiums or toward premium costs under an individual health plan.

8.1.4 Equity Acceleration. Notwithstanding anything to the contrary set forth in the Equity Plan, any other equity incentive plans or any award agreement, effective as of Employee's Separation from Service date, the vesting and exercisability of the unvested time-based equity awards then held by Employee shall accelerate as if Employee had provided an additional six (6) months (or, if either the Company or the Cayman Parent is then publicly-traded, then twelve (12) months), of continued services following the Separation from Service date (with monthly pro rated vesting during the first year of service), and each such equity award shall remain exercisable, if applicable, following Employee's Separation from Service as set forth in the applicable equity award documents. With respect to any performance-based vesting equity award, such award shall continue to be governed in all respects by the terms of the applicable equity award documents.

8.2 Termination Without Cause or Resignation for Good Reason During Change in Control Period. In the event Employee's employment with the Company is terminated by the Company without Cause (and other than as a result of Employee's death or Disability) at any time during the Change in Control Period, or Employee resigns for Good Reason at any time during the Change in Control Period, *in lieu of* (*and not additional to*) the Severance Benefits described in Section 8.1, and provided that Employee satisfies the Release Requirement in Section 9 below and remains in compliance with the terms of this Agreement and the CIIAA, the Company shall instead provide Employee with the following "**CIC Severance Benefits**". For the avoidance of doubt: (i) in no event will Employee be entitled to severance benefits under both Section 8.1 and this Section 8.2, and (ii) if the Company has commenced providing Severance Benefits to Employee under Section 8.1 prior to the date that Employee becomes eligible to receive CIC Severance Benefits under this Section 8.2, the Severance Benefits previously provided to Employee under Section 8.1 of this Agreement shall reduce the CIC Severance Benefits provided under this Section 8.2:

8.2.1 CIC Severance Payment. Employee shall receive a severance pay in an amount equal to Employee's final annual Base Salary *plus* Employee's final Target Bonus Amount, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**CIC Severance Payments**"). Subject to Section 10 below, the CIC Severance Payments shall be made on the Company's regular payroll schedule over the period of twelve (12) months following Employee's Separation from Service date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date (as defined below) shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, Employee's final Base Salary and Target Bonus Amount will be calculated prior to giving effect to any reduction in Base Salary that would give rise to Employee's right to resign for Good Reason.

8.2.2 CIC Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If Employee timely elects continued coverage under COBRA, the Company will reimburse Employee's COBRA premiums to continue Employee's coverage (including coverage for Employee's eligible dependents, if applicable) ("**CIC COBRA Premiums**") through the period starting on the Separation from Service date and ending twelve (12) months after the Separation from Service date (the "**CIC COBRA Premium Period**"); provided, however, that the Company's provision of such CIC COBRA Premium benefits will immediately cease if during the CIC COBRA Premium Period, Employee becomes eligible for group health insurance coverage through a new employer or Employee ceases to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event Employee becomes covered under another employer's group health plan or otherwise ceases to be eligible for COBRA during the CIC COBRA Premium Period, Employee must immediately notify the Company, in writing, of such event.

(ii) Special Cash Payments in Lieu of CIC COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the CIC COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether Employee or Employee's dependents elect or are eligible for COBRA coverage, the Company instead shall pay to Employee, on the first day of each calendar month following the Separation from Service date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for Employee's eligible dependents), subject to applicable federal and state tax withholdings (such amount, the "**Special CIC Cash Payment**"), for the remainder of the CIC COBRA Premium Period. Employee may, but is not obligated to, use such Special CIC Cash Payments toward the cost of COBRA premiums.

8.2.3 Prior Year Bonus. If Employee's Separation from Service occurs prior to Employee's receipt of an Annual Bonus payment for the completed calendar year that immediately precedes the calendar year of the Separation from Service, Employee shall also receive the Prior Year Bonus. The Prior Year Bonus shall be paid, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings, in the calendar year following the year to which the Annual Bonus payment relates, at the same time as the annual bonuses for such calendar year are generally paid to other executives; provided, however that if such payment date is prior to the Release Effective Date (as defined below), the Prior Year Bonus shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

8.2.4 Equity Acceleration. Notwithstanding anything to the contrary set forth in the Equity Plan, any other equity incentive plans or any award agreement, effective as of Employee's employment Separation from Service date that occurs during the Change in Control Period, the vesting and exercisability of all equity awards then held by Employee shall accelerate such that all shares become immediately vested and, if applicable, exercisable by Employee upon such Separation from Service and shall remain exercisable (if such award is capable of being exercised) following Employee's Separation from Service as set forth in the applicable equity award documents, with any performance-based equity awards accelerating at the "target" level of achievement.

8.3 Termination for Death or Disability. In the event Employee's employment with the Company is terminated due to Employee's death or Disability at any time, *in lieu of* (*and not additional to*) the Severance Benefits and CIC Severance Benefits described in Sections 8.1 and 8.2 above, and provided that Employee or his heirs or estate satisfies the Release Requirement in Section 9 below and remains in compliance with the terms of this Agreement and the CIIAA, Employee (or his heirs or estate) shall receive the prorated amount of the Target Bonus Amount for the year in which the Separation from Service occurs equal to the product of (i) and (ii), where (i) is the product of (a) Employee's final Base Salary (but before giving effect to any reduction in Base Salary that would give rise to Employee's right to resign for Good Reason) and (b) the percentage to achieve a Target Bonus Amount set forth in Section 2.3 above and where (ii) is (a) the number of days elapsed in the calendar year prior to the date on which the Separation from Service occurs divided by (b) 365 *plus* the Prior Year Bonus (if applicable), pursuant to the terms and conditions of Section 8.1.2 above (the "**Death or Disability Benefits**"). Notwithstanding the foregoing, Employee will not be entitled to the payments described in this Section 8.3 if Employee's death or Disability is due to suicide or to Employee's participation in an activity involving a significant risk of personal injury or death.

8.4 Termination for Cause; Resignation Without Good Reason. Employee will not be eligible for, or entitled to any severance benefits, including (without limitation) the Severance Benefits and CIC Severance Benefits listed in Sections 8.1 and 8.2 above, or the Death and Disability Benefits listed in Section 8.3, if the Company terminates Employee's employment for Cause or Employee resigns Employee's employment without Good Reason.

9. Conditions to Receipt of Severance Benefits and CIC Severance Benefits. To be eligible for any of the Severance Benefits, CIC Severance Benefits or Death or Disability Benefits pursuant to Sections 8.1, 8.2, or 8.3 above, Employee must satisfy the following release requirement (the "**Release Requirement**"): return to the Company a signed and dated general release of all known and unknown claims in a separation agreement acceptable to the Company (the "**Release**"), which shall among other things include a mutual non-disparagement provision, but will not release Employee's right to severance benefits (pursuant to the terms and conditions of Section 8 of this Agreement), or to indemnification against third party claims (pursuant to any written indemnification agreement with the Company to which Employee is a party, the charter, bylaws, or operating agreements of the Company, or under applicable law), and will not increase the scope or duration of any post-employment restrictions on Employee's activities, within the applicable deadline set forth therein, but in no event later than forty-five (45) calendar days following Employee's Separation from Service date, and permit the Release to become effective and irrevocable in accordance with its terms (such effective date of the Release, the "**Release Effective Date**"). No Severance Benefits, CIC Severance Benefits or Death or Disability Benefits will be paid hereunder prior to the Release Effective Date. Accordingly, if Employee breaches the preceding sentence and/or refuses to sign and deliver to the Company an executed Release or signs and delivers to the Company the Release but exercises Employee's right, if any, under applicable law to revoke the Release (or any portion thereof), then Employee will not be entitled to any severance, payment or benefit under this Agreement.

10. Section 409A. It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Employee's right to receive any installment payments under this Agreement (whether Severance Payments, CIC Severance Payments, Death or Disability Payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if Employee is deemed by the Company at the time of Employee's Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to Employee prior to the earliest of (i) the expiration of the six-month and one day period measured from the date of Employee's Separation from Service with the Company, (ii) the date of Employee's death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section shall be paid in a lump sum to Employee, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. If the Company determines that any Severance Benefits or CIC Severance Benefits provided under this Agreement constitutes "deferred compensation" under Section 409A, and if necessary to avoid taxation under Section 409A, for purposes of determining the schedule for payment of the severance benefits, the effective date of the Release will not be deemed to have occurred any earlier than the sixtieth (60th) date following the Separation From Service, regardless of when the Release actually becomes effective. In addition to the above, to the extent required to comply with Section 409A and the applicable regulations and guidance issued thereunder, if the applicable deadline for Employee to execute (and not revoke) the applicable Release spans two calendar years, payment of the applicable Severance Benefit, CIC Severance Benefits, or Death or Disability Benefits shall not commence until the beginning of the second calendar year. To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts reimbursable to Employee under this Agreement shall be paid to Employee on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Employee) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to any such payment.

11. Section 280G; Limitations on Payment.

11.1 If any payment or benefit Employee will or may receive from the Company or otherwise (a "**280G Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then any such 280G Payment provided pursuant to this Agreement (a "**Payment**") shall be equal to the Reduced Amount. The "**Reduced Amount**" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Employee's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for Employee. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**").

11.2 Notwithstanding any provision of Section 11.1 to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Employee as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (*e.g.*, being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

11.3 Unless Employee and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 11. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Employee and the Company within fifteen (15) calendar days after the date on which Employee's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Employee or the Company) or such other time as requested by Employee or the Company.

11.4 If Employee receives a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 11.1 and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Employee agrees to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 11.1) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 11.1, Employee shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

12. Definitions.

12.1 Cause. For purposes of this Agreement, "**Cause**" means the occurrence of any one or more of the following: (i) Employee's conviction of or plea of guilty or *nolo contendere* to any felony or a crime of moral turpitude; (ii) Employee's willful and continued refusal to follow lawful and reasonable written instructions of the Board or lawful and reasonable written policies and regulations of the Company or its affiliates; (iii) Employee's willful and continued refusal to faithfully and diligently perform the assigned duties of Employee's employment with the Company or its affiliates; (iv) fraudulent conduct by Employee; (v) willful misconduct by Employee that materially injures the Company or any affiliate or materially injures the reputation, character and standing of the Company or any affiliate; or (vi) material injury to the Company based on Employee's willful and material breach of this Agreement, the CIIAA, or any written Company policies. An event described in Section 12.1(ii) through Section 12.1(vi) herein shall not be treated as "Cause" until after Employee has been given written notice of such event, failure, conduct or breach and Employee fails to cure such event, failure, conduct or breach within 30 calendar days from such written notice; provided, however, that such 30-day cure period shall not be required if the event, failure, conduct or breach is reasonably determined to be incapable of being cured by the Company.

12.2 Change in Control. For purposes of this Agreement, "**Change in Control**" shall have the meaning described in the Cayman Parent's 2019 Equity Incentive Plan.

12.3 Change in Control Period. For purposes of this Agreement, "**Change in Control Period**" means the time period commencing three (3) months before the effective date of a Change in Control and ending on the date that is twelve (12) months after the effective date of a Change in Control.

12.4 Disability. For purposes of this Agreement, "**Disability**" means the inability of Employee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

12.5 Good Reason. For purposes of this Agreement, Employee shall have "**Good Reason**" for resignation from employment with the Company if any of the following actions are taken by the Company without Employee's prior written consent: (i) a reduction in Employee's Base Salary, unless in the same percentage as a salary reduction program applicable generally to the Company's senior executives; (ii) a material reduction in Employee's duties, responsibilities or authority, including removal of requirement to report to anyone other than the Board or the Parent Board; (iii) the material breach by the Company of this Agreement; or (iv) the relocation of Employee's principal place of employment to a place that increases Employee's one-way commute by more than twenty-five (25) miles as compared to Employee's then-current principal place of employment immediately prior to such relocation. In order for Employee to resign for Good Reason, each of the following requirements must be met: (A) Employee must provide written notice to the Board within ninety (90) calendar days after Employee's first knowledge of the event giving rise to Good Reason setting forth the basis for Employee's resignation, (B) Employee must allow the Company at least thirty (30) calendar days from receipt of such written notice to cure such event, (C) such event is not reasonably cured by the Company within such 30 calendar day period (the "**Cure Period**"), and (D) Employee must resign in writing from all positions Employee then holds with the Company not later than ninety (90) calendar days after the expiration of the Cure Period.

13. Dispute Resolution/Agreement to Arbitrate Claims. To ensure the rapid and economical resolution of disputes that may arise in connection with Employee's employment with the Company, Employee and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, Employee's employment with the Company, or the termination of Employee's employment from the Company, will be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1, *et seq*. and to the fullest extent permitted by law, by final, binding and confidential arbitration. Except as provided below, the Company and Employee agree that confidential arbitration is the exclusive, final and biding method for resolving all such claims.

13.1 Claims Covered By this Agreement. Disputes that are subject to arbitration under this Agreement include, but are not limited to, claims for wages or other compensation due, including claims for overtime; meal or rest break claims; claims for breach of any contract or covenant (express or implied); tort claims, including, but not limited to claims for defamation, intentional infliction of emotional distress, invasion of privacy, and all negligence-based claims; personal injury claims; claims for discrimination, harassment and/or retaliation in employment including, but no limited to claims under the California Fair Employment and Housing Act, the California Labor Code, claims arising under Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, the Equal Pay Act, the Employee Retirement Income Security Act, the California Family Rights Act of 1964, the Family and Medical Leave Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Worker Benefit Protection Act, the Sarbanes-Oxley Act, all as they may have been amended from time to time, claims for misclassification, and claims for violation of common law or any other federal, state, or local laws relating to employment or separation from employment or benefits associated with employment or separation for employment.

13.2 Claims Not Covered By this Agreement. Claims for workers' compensation, unemployment insurance, claims for injunctive relief, and claims under California Private Attorneys General Act of 2004, as amended, are not covered by this Agreement. Nothing in this Agreement is intended to prevent Employee from filing an administrative claim with the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing. Moreover, both Employee and the Company may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement and/or enforce and arbitration award.

13.3 Arbitration Rules and Procedures. The arbitration is to be conducted in or near the city in which Employee is or was last employed by the Company by JAMS, Inc. ("**JAMS**") or its successors before a mutually selected single neutral arbitrator, under JAMS' then applicable rules and procedures for employment disputes (which will be provided to Employee upon request); provided that the arbitrator shall: (i) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (ii) issue a written arbitration decision including the arbitrator's essential findings and conclusions on which the award was based and a statement of the award. Employee and the Company shall be entitled to all rights and remedies that either would be entitled to pursue in a court of law. Questions of whether a claim is subject to arbitration under this Agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. To the maximum extent permitted by applicable law, all claims, disputes, or causes of action under this section, whether by Employee or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The Arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. **BOTH EMPLOYEE AND THE COMPANY ACKNOWLEDGE THAT BY AGREEING TO THIS ARBITRATION PROCEDURE, THEY WAIVE THE RIGHT TO RESOLVE ANY SUCH DISPUTE THROUGH A TRIAL BY JURY OR JUDGE OR ADMINISTRATIVE PROCEEDING**. The Company shall pay all filing fees in excess of those which would be required if the dispute were decided in a court of law (that is, costs that are unique to arbitration) and shall pay the arbitrator's fee. Each party shall pay the fees of its attorneys, the expenses of its witnesses, and any other costs and expenses that the party incurs in connection with the arbitration; provided that an arbitrator may award attorneys' fees to the prevailing party, if the arbitrator determines in its sole discretion that such an award is permitted by applicable law. Any dispute as to whether a cost is unique to arbitration will be exclusively resolved by the arbitrator. Both the Employee and the Company have the right to be represented by legal counsel at any arbitration proceeding. The arbitration proceedings will be confidential to the extent permitted by law. Employee and the Company will maintain all information and documents exchanged in connection with and in the course of the arbitration as confidential, except to the extent the disclosure of such information or documentation is necessary to enforce any award or challenge any award as permitted by the applicable law.

13.4. No Change in At-Will Employment. This agreement to arbitrate claims is not a contract of employment, expressed or implied, and Employee and the Company acknowledge that Employee's employment with the Company is at-will and that this agreement does not change the "at-will" status of Employee's employment. **BOTH EMPLOYEE AND THE COMPANY ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS OF SECTION 13, AGREEMENT TO ARBITRATE CLAIMS, AND AGREE TO BE BOUND BY ITS TERMS.**

14. General Provisions.

14.1 Notices. Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by email upon confirmation of receipt) or the next day after sending by overnight carrier, to the Company at its primary office location and to Employee at the address as listed on the Company payroll.

14.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the Company and the Employee ("the **Parties**").

14.3 Waiver. Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

14.4 Complete Agreement. This Agreement, together with the CIIAA, constitutes the entire agreement between Employee and the Company with regard to the subject matter hereof and is the complete, final, and exclusive embodiment of the Company's and Employee's agreement with regard to this subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. It cannot be modified or amended except in a writing signed by a duly authorized officer of the Company, with the exception of those changes expressly reserved to the Company's discretion in this Agreement.

14.5 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but both of which taken together will constitute one and the same Agreement.

14.6 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

14.7 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Employee and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Employee may not assign any of Employee's duties hereunder and Employee may not assign any of Employee's rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

14.8 Tax Withholding. All payments and awards contemplated or made pursuant to this Agreement will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. Employee acknowledges and agrees that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. Employee has had the opportunity to retain a tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to this Agreement.

14.9 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California.

In Witness Whereof, the Parties have executed this Agreement to become effective as of the Effective Date written above.

ShouTi Inc., a Delaware corporation

By: /s/Raymond Stevens
Raymond Stevens
CEO

Employee

/s/Jun Yoon
Jun Yoon

April 19, 2021

Mark Bach, M.D.
E-mail: [***]

Re: Offer of Employment

Dear Dr. Bach:

ShouTi Inc., a Delaware corporation (the "**Company**"), is pleased to offer you employment on the terms and conditions set forth in this letter agreement (the "**Agreement**").

1. Employment by the Company.

1.1 Position. You will serve as the Company's Chief Medical Officer, reporting the Company's Chief Executive Officer ("**CEO**"). During the term of your employment with the Company, you will devote your best efforts and all of your business time and attention to the business of the Company, except as permitted in Section 7 of this Agreement and excluding approved vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies. You further agree not to usurp, for your own personal benefit or gain, any opportunities in the Company's line of business. You will be expected to work on a full-time basis and travel as part of your position.

1.2 Start Date. The Company and you acknowledge and agree that your start date with the Company will begin on or before June 21, 2021 (such actual start date, the "**Start Date**").

1.3 Duties and Location. As Chief Medical Officer, you will be responsible for the management and operations of the Company's clinical programs and perform such other duties that are customarily associated with the position of Chief Medical Officer, as assigned to you from time to time by the Company's Board of Directors (the "**Board**"). Your primary office locations shall be your home office in New Jersey and the Company's facilities in Shanghai, China, or at such other locations as mutually agreed. Subject to the terms of this Agreement and applicable law, the Company reserves the right to reasonably require you to perform your duties at places other than your primary office location from time to time and to require reasonable business travel. Should "shelter in place" policies or similar safety measures be implemented in your primary office locations pursuant to the applicable laws and regulations, you will be permitted to continue working remotely from your primary residence until such policies or measures are no longer in force (or an exemption applies to you and the Company) and the Company reasonably determines that it is safe for normal travel and work conditions to resume.

1.4 Policies and Procedures. The employment relationship between you and the Company will be governed by the general employment policies and practices of the Company, including any Employee Handbook adopted by the Company, as well as by all other rules and policies applicable to the Company's professional employees, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

1.5 At-Will Employment. Your employment relationship with the Company is at-will. Either the Company or you shall have the right to terminate the employment relationship at any time, with or without Cause (as defined below) or advance notice. Should a Company policy exist now or in the future which contradicts this at-will provision, this at-will provision controls the relationship between you and the Company. The at-will nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Board. Nothing in this Agreement is intended to modify the at-will employment relationship between the Company and you.

2. Compensation.

2.1 Base Salary. For services to be rendered hereunder, for the years ending on each of the first and second anniversaries of your Start Date, you shall be paid a base annual salary at the rate of $455,000 (the "**Base Salary**"), less all required and applicable standard payroll deductions and withholdings for federal and state taxes and for any authorized voluntary deductions and payable in accordance with the Company's regular payroll schedule. Your Base Salary shall be reviewed at least annually by the Compensation Committee (the "**Compensation Committee**") of the Board of Directors of the Company's parent (the "**Parent Board**"), ShouTi Inc., a Cayman Islands exempted company (the "**Cayman Parent**").

2.2 Annual Bonus. You will be eligible for an annual target bonus (the "**Annual Bonus**") each calendar year equal to thirty-five percent (35%) of your then current Base Salary at a "meeting expectations" level of achievement (the "**Target Bonus Amount**"), which shall be prorated based on the number of days you are actually employed during the calendar year. Whether you receive an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined in the good faith reasonable discretion of the Board, which determination will be based upon the Company's and your achievement of objectives and milestones. The Company's and your objectives and milestones will be established on an annual basis by the Parent Board (or Compensation Committee thereof) in consultation with you, which objectives and milestones may provide for payments above and below target based on the level of performance achievement. Promptly following your Start Date, the CEO will review with you the specific objectives and milestones against which you will be evaluated in the current calendar year. The Company will pay you the Annual Bonus, if any, by no later than March 15 of each calendar year. No Annual Bonus is guaranteed and, in addition to the other conditions for earning such compensation, and except as provided for in Section 8 below, you must remain an employee in good standing of the Company on the date the Annual Bonus is paid in order to be eligible for and earn any Annual Bonus.

2.3 Signing Bonus. You will receive a one-time signing bonus in the amount of $66,000 (the "**Signing Bonus**"), subject to applicable payroll deductions and withholdings. The Signing Bonus will be paid to you as an advance in a single lump sum on the first regularly-scheduled payroll date after your Start Date, and is provided to you prior to your earning such Signing Bonus. You will not earn the Signing Bonus unless you remain continuously employed with the Company through the one-year anniversary of your Start Date. If your employment terminates under any circumstances before such one-year anniversary date, you agree to repay the Signing Bonus to the Company in full.

3. Standard Company Benefits. You will, in accordance with Company policy and the terms and conditions of the applicable Company benefit plan documents, be eligible to participate in the benefit and fringe benefit programs provided by the Company to its executive officers and other employees from time to time. Except as provided below in this Section 3, you will be entitled to paid sick leave, paid time off, and holidays as outlined in the Company's employment policies, and as otherwise required by applicable law. You will also be entitled to all other holiday and paid time off generally available to other executives of the Company. Any such benefits shall be subject to the terms and conditions of the governing benefit plans and policies, as well as the Company's policies and may be changed by the Company in its discretion.

4. Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance or in connection with the performance of your duties hereunder, in accordance with applicable law and the Company's expense reimbursement policy as in effect from time to time. The Company will reimburse you for reasonable and documented legal fees incurred by you in connection with the negotiation and execution of this Agreement and related documents in an amount not to exceed $5,000.

5. Equity.

5.1 Options. The Company will recommend to the Compensation Committee that you be granted an option to purchase 581,610 Ordinary Shares of the Cayman Parent (the "**Option**"). Grant of the Option is subject to the approval of the Parent Board at a meeting as soon as practicable following the Start Date. When granted, the Option shall vest over four years of your continuous service with the Company, with twenty-five percent (25%) of the shares subject to the Option grant becoming vested on the first year anniversary of the Start Date, and the remaining shares becoming vested in equal monthly installments over the following thirty-six (36) months of your continuous service. The exercise price of the Option, as well as all other matters related to the Option, will be governed by and subject to the terms and conditions set forth in the Cayman Parent's 2019 Equity Incentive Plan (the "**Equity Plan**"), and the stock option agreement you will be required to electronically accept.

6. Proprietary Information Obligations.

6.1 Proprietary Information Agreement. As a condition of employment, you shall execute and abide by the Company's standard Confidential Information and Invention Assignment Agreement (the "**CIIAA**").

6.2 Third-Party Agreements and Information. You represent and warrant that your employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that you will perform your duties to the Company without violating any such agreement. You represent and warrant that you do not possess confidential information arising out of prior employment, consulting, or other third party relationships, that would be used in connection with your employment by the Company, except as expressly authorized by that third party. During your employment by the Company, you will use in the performance of your duties only information that is generally known and used by persons with training and experience comparable to your own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by you in the course of your work for the Company. In addition, you represent that you have disclosed to the Company in writing any agreement you may have with any third party (e.g., a former employer) which may limit your ability to perform your duties to the Company, or which could present a conflict of interest with the Company, including but not limited to disclosure (and a copy) of any contractual restrictions on solicitations or competitive activities.

7. Outside Activities and Non-Competition During Employment.

7.1 Outside Activities. Throughout your employment with the Company, you may engage in civic and not-for-profit activities so long as such activities do not interfere with the performance of your duties hereunder or present a conflict of interest with the Company or its affiliates. Subject to the restrictions set forth herein, and only with prior written disclosure to and consent of the Board (which consent will not be unreasonably withheld), you may engage in other types of business or public activities. The Board may rescind such consent, if the Board determines, in its sole discretion, that such activities compromise or threaten to compromise the Company's or its affiliates' business interests or conflict with your duties to the Company or its affiliates.

7.2 Non-Competition During Employment. Throughout your employment with the Company, you will not, without the express written consent of the Board, directly or indirectly serve as an officer, director, stockholder, employee, partner, proprietor, investor, joint ventures, associate, representative or consultant of any person or entity engaged in, or planning or preparing to engage in, business activity competitive with any line of business engaged in (or planned to be engaged in) by the Company or its affiliates; provided, however, that you may purchase or otherwise acquire up to (but not more than) one percent (1%) of any class of securities of any enterprise (without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange. In addition, you will be subject to certain restrictions (including restrictions continuing after your employment ends) outlined in the terms of the CIIAA.

8. Termination of Employment; Severance and Change in Control Benefits.

8.1 Termination Without Cause or Resignation for Good Reason Unrelated to Change in Control. In the event your employment with the Company is terminated by the Company without Cause (as defined below), and other than as a result of your death or Disability (as defined below), or you resign for Good Reason, in either case, at any time except during the Change in Control Period (as defined below), then provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), and provided that you satisfy the Release Requirement in Section 9 below, and remain in compliance with the terms of this Agreement and the CIIAA, the Company shall provide you with the following "**Severance Benefits**":

8.1.1 Severance Payments. You will receive severance pay in the form of continuation of your final monthly Base Salary for a period of six (6) months following termination, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**Severance Payments**"). Subject to Section 10 below, the Severance Payments shall be made on the Company's regular payroll schedule in effect following your Separation from Service date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date (as defined below) shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, your final Base Salary will be calculated prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason.

8.1.2 Prior Year Bonus. If your Separation from Service occurs prior to your receipt of an Annual Bonus payment for the completed calendar year that immediately precedes the calendar year of the Separation from Service, you will also receive an Annual Bonus payment for such preceding calendar year, pursuant to the conditions of Section 2.2 above (the "**Prior Year Bonus**"). The Prior Year Bonus shall be paid, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings, in the calendar year following the year to which the Annual Bonus payment relates, at the same time as the annual bonuses for such calendar year are generally paid to other executives; provided, however that if such payment date is prior to the Release Effective Date, the Prior Year Bonus shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

8.1.3 Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If you timely elect continued coverage under COBRA, the Company will reimburse your COBRA premiums to continue your coverage (including coverage for your eligible dependents, if applicable) ("**COBRA Premiums**") through the period starting on the Separation from Service date and ending six (6) months after the Separation from Service date (the "**COBRA Premium Period**"); provided, however, that the Company's provision of such COBRA Premium benefits will immediately cease if during the COBRA Premium Period you becomes eligible for group health insurance coverage through a new employer or you cease to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event you become covered under another employer's group health plan or otherwise cease to be eligible for COBRA during the COBRA Premium Period, you must immediately notify the Company, in writing, of such event.

(ii) Special Cash Payments in Lieu of COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether you or your dependents elect or are eligible for COBRA coverage, the Company instead shall pay to you, on the first day of each calendar month following the Separation from Service date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for your eligible dependents), subject to applicable federal and state tax withholdings and required or voluntarily authorized deductions (such amount, the "**Special Cash Payment**"), for the remainder of the COBRA Premium Period. You may, but are not obligated to, use such Special Cash Payments toward the cost of COBRA premiums or toward premium costs under an individual health plan.

8.1.4 Equity Acceleration. Notwithstanding anything to the contrary set forth in the Equity Plan, any other equity incentive plans or any award agreement, effective as of your Separation from Service date, the vesting and exercisability of the unvested time-based equity awards then held by you shall accelerate as if you had provided an additional six (6) months, of continued services following the Separation from Service date (with monthly prorated vesting during the first year of service), and each such equity award shall remain exercisable, if applicable, following your Separation from Service as set forth in the applicable equity award documents. With respect to any performance-based vesting equity award, such award shall continue to be governed in all respects by the terms of the applicable equity award documents.

8.2 Termination Without Cause or Resignation for Good Reason During Change in Control Period. In the event your employment with the Company is terminated by the Company without Cause (and other than as a result of your death or Disability), or you resign for Good Reason, in either case, at any time during the Change in Control Period (as defined below), then provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), and provided that you satisfy the Release Requirement in Section 9 below and remain in compliance with the terms of this Agreement and the CIIAA, the Company shall instead provide you with the following "**CIC Severance Benefits**":

8.2.1 CIC Severance Payment. You will receive a severance payment in an amount equal to your final annual Base Salary *plus* your final Target Bonus Amount, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**CIC Severance Payments**"). Subject to Section 10 below, the CIC Severance Payments shall be made on the Company's regular payroll schedule over the period of twelve (12) months following your Separation from Service date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, your final Base Salary and Target Bonus Amount will be calculated prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason.

8.2.2 CIC Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If you timely elect continued coverage under COBRA, the Company will reimburse your COBRA premiums to continue your coverage (including coverage for your eligible dependents, if applicable) ("**CIC COBRA Premiums**") through the period starting on the Separation from Service date and ending twelve (12) months after the Separation from Service date (the "**CIC COBRA Premium Period**"); provided, however, that the Company's provision of such CIC COBRA Premium benefits will immediately cease if during the CIC COBRA Premium Period, you become eligible for group health insurance coverage through a new employer or you cease to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event you become covered under another employer's group health plan or otherwise cease to be eligible for COBRA during the CIC COBRA Premium Period, you must immediately notify the Company, in writing, of such event.

(ii) Special Cash Payments in Lieu of CIC COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the CIC COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether you or your dependents elect or are eligible for COBRA coverage, the Company instead shall pay to you, on the first day of each calendar month following the Separation from Service date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for your eligible dependents), subject to applicable federal and state tax withholdings (such amount, the "**Special CIC Cash Payment**"), for the remainder of the CIC COBRA Premium Period. You may, but are not obligated to, use such Special CIC Cash Payments toward the cost of COBRA premiums.

8.2.3 Prior Year Bonus. If your Separation from Service occurs prior to your receipt of an Annual Bonus payment for the completed calendar year that immediately precedes the calendar year of the Separation from Service, you shall also receive the Prior Year Bonus. The Prior Year Bonus shall be paid, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings, in the calendar year following the year to which the Annual Bonus payment relates, at the same time as the annual bonuses for such calendar year are generally paid to other executives; provided, however that if such payment date is prior to the Release Effective Date, the Prior Year Bonus shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

8.2.4 Equity Acceleration. Notwithstanding anything to the contrary set forth in the Equity Plan, any other equity incentive plans or any award agreement, effective as of your employment Separation from Service date that occurs during the Change in Control Period, the vesting and exercisability of all equity awards then held by you shall accelerate such that all shares become immediately vested and, if applicable, exercisable by you upon such Separation from Service and shall remain exercisable (if such award is capable of being exercised) following your Separation from Service as set forth in the applicable equity award documents, with any performance-based equity awards accelerating at the "target" level of achievement.

8.3 Termination for Death or Disability. In the event your employment with the Company is terminated due to your death or Disability at any time, *in lieu of* (*and not additional to*) the Severance Benefits and CIC Severance Benefits described in Sections 8.1 and 8.2 above, and provided that you or your heirs or estate satisfies the Release Requirement in Section 9 below and remains in compliance with the terms of this Agreement and the CIIAA, you (or your heirs or estate) shall receive the prorated amount of the Target Bonus Amount for the year in which the Separation from Service occurs equal to the product of (i) and (ii), where (i) is the product of (a) your final Base Salary (but before giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason) and (b) the percentage to achieve a Target Bonus Amount set forth in Section 2.2 above and where (ii) is (a) the number of days elapsed in the calendar year prior to the date on which the Separation from Service occurs divided by (b) 365 *plus* the Prior Year Bonus (if applicable), pursuant to the terms and conditions of Section 8.1.2 above (the "**Death or Disability Benefits**"). Notwithstanding the foregoing, you will not be entitled to the payments described in this Section 8.3 if your death or Disability is due to suicide or to your participation in an activity involving a significant risk of personal injury or death.

8.4 Termination for Cause; Resignation Without Good Reason. You will not be eligible for, or entitled to any severance benefits, including (without limitation) the Severance Benefits and CIC Severance Benefits listed in Sections 8.1 and 8.2 above, or the Death and Disability Benefits listed in Section 8.3, if the Company terminates your employment for Cause or you resign your employment without Good Reason.

9. Conditions to Receipt of Severance Benefits and CIC Severance Benefits. To be eligible for any of the Severance Benefits, CIC Severance Benefits or Death or Disability Benefits pursuant to Sections 8.1, 8.2 or 8.3 above, you must satisfy the following release requirement (the "**Release Requirement**"): return to the Company a signed and dated general release of all known and unknown claims in a separation agreement acceptable to the Company (the "**Release**"), which shall among other things include a mutual non-disparagement provision, but will not release your right to severance benefits (pursuant to the terms and conditions of Section 8 of this Agreement), or to indemnification against third party claims (pursuant to any written indemnification agreement with the Company to which you are a party, the charter, bylaws, or operating agreements of the Company, or under applicable law), and will not increase the scope or duration of any post-employment restrictions on your activities, within the applicable deadline set forth therein, but in no event later than forty-five (45) calendar days following your Separation from Service date, and permit the Release to become effective and irrevocable in accordance with its terms (such effective date of the Release, the "**Release Effective Date**"). No Severance Benefits, CIC Severance Benefits or Death or Disability Benefits will be paid hereunder prior to the Release Effective Date. Accordingly, if you breach the preceding sentence and/or refuses to sign and deliver to the Company an executed Release or signs and delivers to the Company the Release but exercise your right, if any, under applicable law to revoke the Release (or any portion thereof), then you will not be entitled to any severance, payment or benefit under this Agreement.

10. Section 409A. It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether Severance Benefits, CIC Severance Payments, Death or Disability Payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month and one day period measured from the date of your Separation from Service with the Company, (ii) the date of your death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. If the Company determines that any Severance Benefits or CIC Severance Benefits provided under this Agreement constitutes "deferred compensation" under Section 409A, and if necessary to avoid taxation under Section 409A, for purposes of determining the schedule for payment of the severance benefits, the effective date of the Release will not be deemed to have occurred any earlier than the sixtieth (60th) date following the Separation From Service, regardless of when the Release actually becomes effective. In addition to the above, to the extent required to comply with Section 409A and the applicable regulations and guidance issued thereunder, if the applicable deadline for you to execute (and not revoke) the applicable Release spans two calendar years, payment of the applicable Severance Benefits, CIC Severance Benefits or Death or Disability Benefits shall not commence until the beginning of the second calendar year. To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts reimbursable to you under this Agreement shall be paid to you on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to you) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to any such payment.

11. Section 280G; Limitations on Payment.

11.1 If any payment or benefit you will or may receive from the Company or otherwise (a "**280G Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then any such 280G Payment provided pursuant to this Agreement (a "**Payment**") shall be equal to the Reduced Amount. The "**Reduced Amount**" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for you. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**").

11.2 Notwithstanding any provision of Section 11.1 to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for you as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (*e.g.*, being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

11.3 Unless you and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 11. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a 280G Payment becomes reasonably likely to occur (if requested at that time by you or the Company) or such other time as requested by you or the Company.

11.4 If you receive a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 11.1 and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, you agree to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 11.1) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 11.1, you shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

12. Definitions.

12.1 Cause. For purposes of this Agreement, "**Cause**" means the occurrence of any one or more of the following: (i) your conviction of or plea of guilty or *nolo contendere* to any felony or a crime of moral turpitude; (ii) your willful and continued refusal to follow lawful and reasonable written instructions of the Board or lawful and reasonable written policies and regulations of the Company or its affiliates; (iii) your willful and continued refusal to faithfully and diligently perform the assigned duties of your employment with the Company or its affiliates; (iv) any act or omission that, in the Board's good faith opinion, constitutes fraudulent conduct by you; (v) willful misconduct by you that materially injures the Company or any affiliate or materially injures the reputation, character and standing of the Company or any affiliate; or (vi) material injury to the Company based on your willful and material breach of this Agreement, the CIIAA, or any written Company policies. An event described in Section 12.1(ii) through Section 12.1(vi) herein shall not be treated as "Cause" until after you have been given written notice of such event, failure, conduct or breach where such written notice describes with particularity the alleged event, failure, conduct or breach and you fail to cure such event, failure, conduct or breach within 30 calendar days from such written notice; provided, however, that such 30-day cure period shall not be required if the event, failure, conduct or breach is reasonably determined to be incapable of being cured by the Company.

12.2 Change in Control. For purposes of this Agreement, "**Change in Control**" shall have the meaning described in the Cayman Parent's 2019 Equity Incentive Plan.

12.3 Change in Control Period. For purposes of this Agreement, "**Change in Control Period**" means the time period commencing three (3) months before the effective date of a Change in Control and ending on the date that is twelve (12) months after the effective date of a Change in Control.

12.4 Disability. For purposes of this Agreement, "**Disability**" means the inability of you to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

12.5 Good Reason. For purposes of this Agreement, you shall have "**Good Reason**" for resignation from employment with the Company if any of the following actions are taken by the Company without your prior written consent: (i) a reduction in your Base Salary, unless in the same percentage as a salary reduction program applicable generally to the Company's senior executives; (ii) a material reduction in your duties, responsibilities, title or authority, including removal of the requirement to report to anyone other than the CEO, Board or the Parent Board; (iii) the material breach by the Company of this Agreement; or (iv) the relocation of your principal place of employment to a place that increases your one-way commute by more than twenty-five (25) miles as compared to your then-current principal place of employment immediately prior to such relocation. In order for you to resign for Good Reason, each of the following requirements must be met: (A) you must provide written notice to the Board within ninety (90) calendar days after your first knowledge of the event giving rise to Good Reason setting forth the basis for your resignation, (B) you must allow the Company at least thirty (30) calendar days from receipt of such written notice to cure such event, (C) such event is not reasonably cured by the Company within such 30 calendar day period (the "**Cure Period**"), and (D) you must resign in writing from all positions you then hold with the Company not later than ninety (90) calendar days after the expiration of the Cure Period.

13. Dispute Resolution/Agreement to Arbitrate Claims. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment from the Company, will be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1, *et seq*. and to the fullest extent permitted by law, by final, binding and confidential arbitration. Except as provided below, the Company and you agree that confidential arbitration is the exclusive, final and biding method for resolving all such claims.

13.1 Claims Covered By this Agreement. Disputes that are subject to arbitration under this Agreement include, but are not limited to, claims for wages or other compensation due, including claims for overtime; meal or rest break claims; claims for breach of any contract or covenant (express or implied); tort claims, including, but not limited to claims for defamation, intentional infliction of emotional distress, invasion of privacy, and all negligence-based claims; personal injury claims; claims for discrimination, harassment and/or retaliation in employment including, but no limited to claims under the California Fair Employment and Housing Act, the California Labor Code, claims arising under Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, the Equal Pay Act, the Employee Retirement Income Security Act, the California Family Rights Act of 1964, the Family and Medical Leave Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Worker Benefit Protection Act, the Sarbanes-Oxley Act, all as they may have been amended from time to time, claims for misclassification, and claims for violation of common law or any other federal, state, or local laws relating to employment or separation from employment or benefits associated with employment or separation for employment.

13.2 Claims Not Covered By this Agreement. Claims for workers' compensation, unemployment insurance, claims for injunctive relief, and claims under California Private Attorneys General Act of 2004, as amended, are not covered by this Agreement. Nothing in this Agreement is intended to prevent you from filing an administrative claim with the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing. Moreover, both you and the Company may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement and/or enforce and arbitration award.

13.3 Arbitration Rules and Procedures. The arbitration is to be conducted in San Francisco, California by JAMS, Inc. ("**JAMS**") or its successors before a mutually selected single neutral arbitrator, under JAMS' then applicable rules and procedures for employment disputes (which will be provided to you upon request); provided that the arbitrator shall: (i) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (ii) issue a written arbitration decision including the arbitrator's essential findings and conclusions on which the award was based and a statement of the award. you and the Company shall be entitled to all rights and remedies that either would be entitled to pursue in a court of law. Questions of whether a claim is subject to arbitration under this Agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. To the maximum extent permitted by applicable law, all claims, disputes, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The Arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. **BOTH YOU AND THE COMPANY ACKNOWLEDGE THAT BY AGREEING TO THIS ARBITRATION PROCEDURE, THEY WAIVE THE RIGHT TO RESOLVE ANY SUCH DISPUTE THROUGH A TRIAL BY JURY OR JUDGE OR ADMINISTRATIVE PROCEEDING**. The Company shall pay all filing fees in excess of those which would be required if the dispute were decided in a court of law (that is, costs that are unique to arbitration) and shall pay the arbitrator's fee. Each party shall pay the fees of its attorneys, the expenses of its witnesses, and any other costs and expenses that the party incurs in connection with the arbitration; provided that an arbitrator may award attorneys' fees to the prevailing party, if the arbitrator determines in its sole discretion that such an award is permitted by applicable law. Any dispute as to whether a cost is unique to arbitration will be exclusively resolved by the arbitrator. Both you and the Company have the right to be represented by legal counsel at any arbitration proceeding. The arbitration proceedings will be confidential to the extent permitted by law. you and the Company will maintain all information and documents exchanged in connection with and in the course of the arbitration as confidential, except to the extent the disclosure of such information or documentation is necessary to enforce any award or challenge any award as permitted by the applicable law.

13.4. No Change in At-Will Employment. This agreement to arbitrate claims is not a contract of employment, expressed or implied, and you and the Company acknowledge that your employment with the Company is at-will and that this agreement does not change the "at-will" status of your employment. **BOTH EMPLOYEE AND THE COMPANY ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS OF SECTION 13, AGREEMENT TO ARBITRATE CLAIMS, AND AGREE TO BE BOUND BY ITS TERMS.**

14. General Provisions.

14.1 Notices. Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by email upon confirmation of receipt) or the next day after sending by overnight carrier, to the Company at its primary office location and to you at the address as listed on the Company payroll.

14.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the Company and you ("the **Parties**").

14.3 Waiver. Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

14.4 Complete Agreement. This Agreement, together with the CIIAA, constitutes the entire agreement between you and the Company with regard to the subject matter hereof and is the complete, final, and exclusive embodiment of the Company's and your agreement with regard to this subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. It cannot be modified or amended except in a writing signed by a duly authorized officer of the Company, with the exception of those changes expressly reserved to the Company's discretion in this Agreement.

14.5 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but both of which taken together will constitute one and the same Agreement.

14.6 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

14.7 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and their respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and you may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

14.8 Tax Withholding. All payments and awards contemplated or made pursuant to this Agreement will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. You acknowledge and agree that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. You have had the opportunity to retain a tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to this Agreement.

14.9 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California.

This offer is subject to satisfactory proof of your identity and right to work in the United States and other applicable pre-employment screenings. We look forward to having you join us. If you have any questions about this Agreement, please do not hesitate to call me.

[Signature Page Follows]

Sincerely,

SHOUTI INC., a Delaware corporation

/s/ Raymond Stevens
Raymond Stevens, Ph.D.
Chief Executive Officer

Accepted and agreed:

/s/ Mark Bach
Dr. Mark Bach

Date: 4/22/2021

April 23, 2021

Melita Sun Jung
Email: [***]

Re: Amended and Restated Offer of Employment

Dear Melita:

As you know, ShouTi Inc., a Delaware corporation (the "**Company**"), entered into an employment offer letter with you on February 14, 2021 (the "**Offer Letter**"). You and the Company hereby agree to amend and restate the Offer Letter. The terms and conditions set forth in this letter agreement (the "**Agreement**") shall become effective as of the date hereof, and shall supersede and replace the terms and conditions set forth in the Offer Letter.

1. Employment by the Company.

1.1 Position. You will serve as the Company's Chief Business Officer, reporting the Company's Chief Executive Officer. During the term of your employment with the Company, you will devote your best efforts and all of your business time and attention to the business of the Company, except as permitted in Section 7 of this Agreement and excluding approved vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies. You further agree not to usurp, for your own personal benefit or gain, any opportunities in the Company's line of business. You will be expected to work on a full-time basis and travel as part of your position.

1.2 Start Date. The Company and you agree that your start date with the Company is expected to begin on May 6, 2021 (the "**Start Date**").

1.3 Duties and Location. You will perform such duties as are customarily associated with the position of Chief Business Officer, and such other duties as are assigned to you by the Company's Board of Directors (the "**Board**"). Your primary office locations shall be the Company's facilities in California, or at such other locations as mutually agreed. Subject to the terms of this Agreement and applicable law, the Company reserves the right to reasonably require you to perform your duties at places other than your primary office location from time to time and to require reasonable business travel.

1.4 Policies and Procedures. The employment relationship between you and the Company will be governed by the general employment policies and practices of the Company, including any Employee Handbook adopted by the Company, as well as by all other rules and policies applicable to the Company's professional employees, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

1.5 At-Will Employment. Your employment relationship with the Company is at-will. Either the Company or you shall have the right to terminate the employment relationship at any time, with or without Cause (as defined below) or advance notice. Should a Company policy exist now or in the future which contradicts this at-will provision, this at-will provision controls the relationship between you and the Company. The at-will nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Board. Nothing in this Agreement is intended to modify the at-will employment relationship between the Company and you.

2. Compensation.

2.1 Base Salary. For services to be rendered hereunder, for the years ending on each of the first and second anniversaries of your Start Date, you shall be paid a base annual salary at the rate of $375,000 (the "**Base Salary**"), less all required and applicable standard payroll deductions and withholdings for federal and state taxes and for any authorized voluntary deductions and payable in accordance with the Company's regular payroll schedule. Your Base Salary shall be reviewed at least annually by the Compensation Committee (the "**Compensation Committee**") of the Board of Directors of the Company's parent (the "**Parent Board**"), ShouTi Inc., a Cayman Islands exempted company (the "**Cayman Parent**").

2.2 Annual Bonus. You will be eligible for an annual target bonus (the "**Annual Bonus**") each calendar year equal to thirty-five percent (35%) of your then current Base Salary at a "meeting expectations" level of achievement (the "**Target Bonus Amount**"), which shall be prorated based on the number of days you are actually employed during the calendar year. Whether you receive an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined in the good faith reasonable discretion of the Board, which determination will be based upon the Company's and your achievement of objectives and milestones. The Company's and your objectives and milestones will be established on an annual basis by the Parent Board (or Compensation Committee thereof) in consultation with you, which objectives and milestones may provide for payments above and below target based on the level of performance achievement. The Company will pay you the Annual Bonus, if any, by no later than March 15 of each calendar year. No Annual Bonus is guaranteed and, in addition to the other conditions for earning such compensation, and except as provided for in Section 8 below, you must remain an employee in good standing of the Company on the date the Annual Bonus is paid in order to be eligible for and earn any Annual Bonus.

2.3 Signing Bonus. You will also receive a one-time signing bonus in the amount of $75,000 (the "**Signing Bonus**"), subject to applicable payroll deductions and withholdings. The Signing Bonus will be paid to you as an advance in a single lump sum on the first regularly-scheduled payroll date after your Start Date, and is provided to you prior to your earning of such Signing Bonus. You will not earn the Signing Bonus unless you remain actively and continuously employed with the Company through the one-year anniversary of your Start Date. If your employment terminates under any circumstances before such one-year anniversary date, you agree to repay the Signing Bonus to the Company in full.

3. Standard Company Benefits. You will, in accordance with Company policy and the terms and conditions of the applicable Company benefit plan documents, be eligible to participate in the benefit and fringe benefit programs provided by the Company to its executive officers and other employees from time to time. Except as provided below in this Section 3, you will be entitled to paid sick leave, paid time off, and holidays as outlined in the Company's employment policies, and as otherwise required by applicable law. You will also be entitled to all other holiday and paid time off generally available to other executives of the Company. Any such benefits shall be subject to the terms and conditions of the governing benefit plans and policies, as well as the Company's policies and may be changed by the Company in its discretion.

4. Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance or in connection with the performance of your duties hereunder, in accordance with applicable law and the Company's expense reimbursement policy as in effect from time to time.

5. Equity.

5.1 Options. The Company will recommend to the Compensation Committee that you be granted an option to purchase 465,290 Ordinary Shares of the Cayman Parent (the "**Option**"). Grant of the Option is subject to the approval of the Parent Board. If granted, the Option shall vest over four years of your continuous service with the Company, with twenty-five percent (25%) of the shares subject to the Option grant becoming vested on the first year anniversary of the Start Date, and the remaining shares becoming vested in equal monthly installments over the following thirty-six (36) months of your continuous service. The exercise price of the Option, as well as all other matters related to the Option, will be governed by and subject to the terms and conditions set forth in the Cayman Parent's 2019 Equity Incentive Plan (the "**Equity Plan**"), and the stock option agreement you will be required to electronically accept.

6. Proprietary Information Obligations.

6.1 Proprietary Information Agreement. As a condition of employment, you shall execute and abide by the Company's standard Confidential Information and Invention Assignment Agreement (the "**CIIAA**").

6.2 Third-Party Agreements and Information. You represent and warrant that your employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that you will perform your duties to the Company without violating any such agreement. You represent and warrant that you do not possess confidential information arising out of prior employment, consulting, or other third party relationships, that would be used in connection with your employment by the Company, except as expressly authorized by that third party. During your employment by the Company, you will use in the performance of your duties only information that is generally known and used by persons with training and experience comparable to your own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by you in the course of your work for the Company. In addition, you represent that you have disclosed to the Company in writing any agreement you may have with any third party (e.g., a former employer) which may limit your ability to perform your duties to the Company, or which could present a conflict of interest with the Company, including but not limited to disclosure (and a copy) of any contractual restrictions on solicitations or competitive activities.

7. Outside Activities and Non-Competition During Employment.

7.1 Outside Activities. Throughout your employment with the Company, you may engage in civic and not-for-profit activities so long as such activities do not interfere with the performance of your duties hereunder or present a conflict of interest with the Company or its affiliates. Subject to the restrictions set forth herein, and only with prior written disclosure to and consent of the Board (which consent will not be unreasonably withheld), you may engage in other types of business or public activities. The Board may rescind such consent, if the Board determines, in its sole discretion, that such activities compromise or threaten to compromise the Company's or its affiliates' business interests or conflict with your duties to the Company or its affiliates.

7.2 Non-Competition During Employment. Throughout your employment with the Company, you will not, without the express written consent of the Board, directly or indirectly serve as an officer, director, stockholder, employee, partner, proprietor, investor, joint ventures, associate, representative or consultant of any person or entity engaged in, or planning or preparing to engage in, business activity competitive with any line of business engaged in (or planned to be engaged in) by the Company or its affiliates; provided, however, that you may purchase or otherwise acquire up to (but not more than) one percent (1%) of any class of securities of any enterprise (without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange. In addition, you will be subject to certain restrictions (including restrictions continuing after your employment ends) outlined in the terms of the CIIAA. Notwithstanding the foregoing, you may assume outside board duties with prior disclosure and approval of the Company, which approval shall not be unreasonably withheld, as long as the business activity is not directly competitive with any line of business of the Company or its affiliates.

8. Termination of Employment; Severance and Change in Control Benefits.

8.1 Termination Without Cause or Resignation for Good Reason Unrelated to Change in Control. In the event your employment with the Company is terminated by the Company without Cause (as defined below), and other than as a result of your death or Disability (as defined below), or you resign for Good Reason, in either case, at any time except during the Change in Control Period (as defined below), then provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), and provided that you satisfy the Release Requirement in Section 9 below, and remain in compliance with the terms of this Agreement and the CIIAA, the Company shall provide you with the following "**Severance Benefits***"*:

8.1.1 Severance Payments. You will receive severance pay in the form of continuation of your final monthly Base Salary for a period of six (6) months following termination, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**Severance Payments**"). Subject to Section 10 below, the Severance Payments shall be made on the Company's regular payroll schedule in effect following your Separation from Service date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date (as defined below) shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, your final Base Salary will be calculated prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason.

8.1.2 Prior Year Bonus. If your Separation from Service occurs prior to your receipt of an Annual Bonus payment for the completed calendar year that immediately precedes the calendar year of the Separation from Service, you will also receive an Annual Bonus payment for such preceding calendar year, pursuant to the conditions of Section 2.2 above (the "**Prior Year Bonus**"). The Prior Year Bonus shall be paid, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings, in the calendar year following the year to which the Annual Bonus payment relates, at the same time as the annual bonuses for such calendar year are generally paid to other executives; provided, however that if such payment date is prior to the Release Effective Date (as defined below), the Prior Year Bonus shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

8.1.3 Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If you timely elect continued coverage under COBRA, the Company will reimburse your COBRA premiums to continue your coverage (including coverage for your eligible dependents, if applicable) ("**COBRA Premiums**") through the period starting on the Separation from Service date and ending six (6) months after the Separation from Service date (the "**COBRA Premium Period**"); provided, however, that the Company's provision of such COBRA Premium benefits will immediately cease if during the COBRA Premium Period you becomes eligible for group health insurance coverage through a new employer or you cease to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event you become covered under another employer's group health plan or otherwise cease to be eligible for COBRA during the COBRA Premium Period, you must immediately notify the Company, in writing, of such event.

(ii) Special Cash Payments in Lieu of COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether you or your dependents elect or are eligible for COBRA coverage, the Company instead shall pay to you, on the first day of each calendar month following the Separation from Service date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for your eligible dependents), subject to applicable federal and state tax withholdings and required or voluntarily authorized deductions (such amount, the "**Special Cash Payment**"), for the remainder of the COBRA Premium Period. You may, but are not obligated to, use such Special Cash Payments toward the cost of COBRA premiums or toward premium costs under an individual health plan.

8.1.4 Equity Acceleration. Notwithstanding anything to the contrary set forth in the Equity Plan, any other equity incentive plans or any award agreement, effective as of your Separation from Service date, the vesting and exercisability of the unvested time-based equity awards then held by you shall accelerate as if you had provided an additional six (6) months, of continued services following the Separation from Service date (with monthly prorated vesting during the first year of service), and each such equity award shall remain exercisable, if applicable, following your Separation from Service as set forth in the applicable equity award documents. With respect to any performance-based vesting equity award, such award shall continue to be governed in all respects by the terms of the applicable equity award documents.

8.2 Termination Without Cause or Resignation for Good Reason During Change in Control Period. In the event your employment with the Company is terminated by the Company without Cause (and other than as a result of your death or Disability), or you resign for Good Reason, in either case, at any time during the Change in Control Period (as defined below), then provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), and provided that you satisfy the Release Requirement in Section 9 below and remain in compliance with the terms of this Agreement and the CIIAA, the Company shall instead provide you with the following "**CIC Severance Benefits**":

8.2.1 CIC Severance Payment. You will receive a severance pay in an amount equal to your final annual Base Salary *plus* your final Target Bonus Amount, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**CIC Severance Payments**"). Subject to Section 10 below, the CIC Severance Payments shall be made on the Company's regular payroll schedule over the period of twelve (12) months following your Separation from Service date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, your final Base Salary and Target Bonus Amount will be calculated prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason.

8.2.2 CIC Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If you timely elect continued coverage under COBRA, the Company will reimburse your COBRA premiums to continue your coverage (including coverage for your eligible dependents, if applicable) ("**CIC COBRA Premiums**") through the period starting on the Separation from Service date and ending twelve (12) months after the Separation from Service date (the "**CIC COBRA Premium Period**"); provided, however, that the Company's provision of such CIC COBRA Premium benefits will immediately cease if during the CIC COBRA Premium Period, you become eligible for group health insurance coverage through a new employer or you cease to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event you become covered under another employer's group health plan or otherwise cease to be eligible for COBRA during the CIC COBRA Premium Period, you must immediately notify the Company, in writing, of such event.

(ii) Special Cash Payments in Lieu of CIC COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the CIC COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether you or your dependents elect or are eligible for COBRA coverage, the Company instead shall pay to you, on the first day of each calendar month following the Separation from Service date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for your eligible dependents), subject to applicable federal and state tax withholdings (such amount, the "**Special CIC Cash Payment**"), for the remainder of the CIC COBRA Premium Period. You may, but are not obligated to, use such Special CIC Cash Payments toward the cost of COBRA premiums.

8.2.3 Prior Year Bonus. If your Separation from Service occurs prior to your receipt of an Annual Bonus payment for the completed calendar year that immediately precedes the calendar year of the Separation from Service, you shall also receive the Prior Year Bonus. The Prior Year Bonus shall be paid, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings, in the calendar year following the year to which the Annual Bonus payment relates, at the same time as the annual bonuses for such calendar year are generally paid to other executives; provided, however that if such payment date is prior to the Release Effective Date, the Prior Year Bonus shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

8.2.4 Equity Acceleration. Notwithstanding anything to the contrary set forth in the Equity Plan, any other equity incentive plans or any award agreement, effective as of your employment Separation from Service date that occurs during the Change in Control Period, the vesting and exercisability of all equity awards then held by you shall accelerate such that all shares become immediately vested and, if applicable, exercisable by you upon such Separation from Service and shall remain exercisable (if such award is capable of being exercised) following your Separation from Service as set forth in the applicable equity award documents, with any performance-based equity awards accelerating at the "target" level of achievement.

8.3 Termination for Death or Disability. In the event your employment with the Company is terminated due to your death or Disability at any time, *in lieu of* (*and not additional to*) the Severance Benefits and CIC Severance Benefits described in Sections 8.1 and 8.2 above, and provided that you or your heirs or estate satisfies the Release Requirement in Section 9 below and remains in compliance with the terms of this Agreement and the CIIAA, you (or your heirs or estate) shall receive the prorated amount of the Target Bonus Amount for the year in which the Separation from Service occurs equal to the product of (i) and (ii), where (i) is the product of (a) your final Base Salary (but before giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason) and (b) the percentage to achieve a Target Bonus Amount set forth in Section 2.2 above and where (ii) is (a) the number of days elapsed in the calendar year prior to the date on which the Separation from Service occurs divided by (b) 365 plus the Prior Year Bonus (if applicable), pursuant to the terms and conditions of Sections 8.1.2 and 8.2.3 above (the "**Death or Disability Benefits**"). Notwithstanding the foregoing, you will not be entitled to the payments described in this Section 8.3 if your death or Disability is due to suicide or to your participation in an activity involving a significant risk of personal injury or death.

8.4 Termination for Cause; Resignation Without Good Reason. You will not be eligible for, or entitled to any severance benefits, including (without limitation) the Severance Benefits and CIC Severance Benefits listed in Sections 8.1 and 8.2 above, or the Death and Disability Benefits listed in Section 8.3, if the Company terminates your employment for Cause or you resign your employment without Good Reason.

9. Conditions to Receipt of Severance Benefits and CIC Severance Benefits. To be eligible for any of the Severance Benefits, CIC Severance Benefits or Death or Disability Benefits pursuant to Sections 8.1, 8.2 or 8.3 above, you must satisfy the following release requirement (the "**Release Requirement**"): return to the Company a signed and dated general release of all known and unknown claims in a separation agreement acceptable to the Company (the "**Release**"), which shall among other things include a mutual non-disparagement provision, but will not release your right to severance benefits (pursuant to the terms and conditions of Section 8 of this Agreement), or to indemnification against third party claims (pursuant to any written indemnification agreement with the Company to which you are a party, the charter, bylaws, or operating agreements of the Company, or under applicable law), and will not increase the scope or duration of any post-employment restrictions on your activities, within the applicable deadline set forth therein, but in no event later than forty-five (45) calendar days following your Separation from Service date, and permit the Release to become effective and irrevocable in accordance with its terms (such effective date of the Release, the "**Release Effective Date**"). No Severance Benefits, CIC Severance Benefits or Death or Disability Benefits will be paid hereunder prior to the Release Effective Date. Accordingly, if you breach the preceding sentence and/or refuse to sign and deliver to the Company an executed Release or sign and deliver to the Company the Release but exercise your right, if any, under applicable law to revoke the Release (or any portion thereof), then you will not be entitled to any severance, payment or benefit under this Agreement.

10. Section 409A. It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether Severance Benefits, CIC Severance Payments, Death or Disability Payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month and one day period measured from the date of your Separation from Service with the Company, (ii) the date of your death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. If the Company determines that any Severance Benefits or CIC Severance Benefits provided under this Agreement constitutes "deferred compensation" under Section 409A, and if necessary to avoid taxation under Section 409A, for purposes of determining the schedule for payment of the severance benefits, the effective date of the Release will not be deemed to have occurred any earlier than the sixtieth (60th) date following the Separation From Service, regardless of when the Release actually becomes effective. In addition to the above, to the extent required to comply with Section 409A and the applicable regulations and guidance issued thereunder, if the applicable deadline for you to execute (and not revoke) the applicable Release spans two calendar years, payment of the applicable Severance Benefits, CIC Severance Benefits or Death or Disability Benefits shall not commence until the beginning of the second calendar year. To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts reimbursable to you under this Agreement shall be paid to you on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to you) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to any such payment.

11. Section 280G; Limitations on Payment.

11.1 If any payment or benefit you will or may receive from the Company or otherwise (a "**280G Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then any such 280G Payment provided pursuant to this Agreement (a "**Payment**") shall be equal to the Reduced Amount. The "**Reduced Amount**" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for you. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**").

11.2 Notwithstanding any provision of Section 11.1 to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for you as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (*e.g.*, being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

11.3 Unless you and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 11. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a 280G Payment becomes reasonably likely to occur (if requested at that time by you or the Company) or such other time as requested by you or the Company.

11.4 If you receive a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 11.1 and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, you agree to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 11.1) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 11.1, you shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

12. Definitions.

12.1 **Cause.** For purposes of this Agreement, "**Cause**" means the occurrence of any one or more of the following: (i) your conviction of or plea of guilty or *nolo contendere* to any felony or a crime of moral turpitude; (ii) your willful and continued refusal to follow lawful and reasonable written instructions of the Board or lawful and reasonable written policies and regulations of the Company or its affiliates; (iii) your willful and continued refusal to faithfully and diligently perform the assigned duties of your employment with the Company or its affiliates; (iv) any act or omission that, in the Board's good faith opinion, constitutes fraudulent conduct by you; (v) willful misconduct by you that materially injures the Company or any affiliate or materially injures the reputation, character and standing of the Company or any affiliate; or (vi) material injury to the Company based on your willful and material breach of this Agreement, the CIIAA, or any written Company policies. An event described in Section 12.1(ii) through Section 12.1(vi) herein shall not be treated as "Cause" until after you have been given written notice of such event, failure, conduct or breach and you fail to cure such event, failure, conduct or breach within 30 calendar days from such written notice; provided, however, that such 30-day cure period shall not be required if the event, failure, conduct or breach is reasonably determined to be incapable of being cured by the Company.

12.2 Change in Control. For purposes of this Agreement, "**Change in Control**" shall have the meaning described in the Cayman Parent's 2019 Equity Incentive Plan.

12.3 Change in Control Period. For purposes of this Agreement, "**Change in Control Period**" means the time period commencing three (3) months before the effective date of a Change in Control and ending on the date that is twelve (12) months after the effective date of a Change in Control.

12.4 Disability. For purposes of this Agreement, "**Disability**" means the inability of you to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

12.5 Good Reason. For purposes of this Agreement, you shall have "**Good Reason**" for resignation from employment with the Company if any of the following actions are taken by the Company without your prior written consent: (i) a reduction in your Base Salary, unless in the same percentage as a salary reduction program applicable generally to the Company's senior executives; (ii) a material reduction in your duties, responsibilities or authority, including removal of requirement to report to anyone other than the CEO, the Board or the Parent Board; (iii) the material breach by the Company of this Agreement; or (iv) the relocation of your principal place of employment to a place that increases your one-way commute by more than twenty-five (25) miles as compared to your then-current principal place of employment immediately prior to such relocation. In order for you to resign for Good Reason, each of the following requirements must be met: (A) you must provide written notice to the Board within ninety (90) calendar days after your first knowledge of the event giving rise to Good Reason setting forth the basis for your resignation, (B) you must allow the Company at least thirty (30) calendar days from receipt of such written notice to cure such event, (C) such event is not reasonably cured by the Company within such 30 calendar day period (the "**Cure Period**"), and (D) you must resign in writing from all positions you then hold with the Company not later than ninety (90) calendar days after the expiration of the Cure Period.

13. Dispute Resolution/Agreement to Arbitrate Claims. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment from the Company, will be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1, *et seq*. and to the fullest extent permitted by law, by final, binding and confidential arbitration. Except as provided below, the Company and you agree that confidential arbitration is the exclusive, final and biding method for resolving all such claims.

13.1 Claims Covered By this Agreement. Disputes that are subject to arbitration under this Agreement include, but are not limited to, claims for wages or other compensation due, including claims for overtime; meal or rest break claims; claims for breach of any contract or covenant (express or implied); tort claims, including, but not limited to claims for defamation, intentional infliction of emotional distress, invasion of privacy, and all negligence-based claims; personal injury claims; claims for discrimination, harassment and/or retaliation in employment including, but no limited to claims under the California Fair Employment and Housing Act, the California Labor Code, claims arising under Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, the Equal Pay Act, the Employee Retirement Income Security Act, the California Family Rights Act of 1964, the Family and Medical Leave Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Worker Benefit Protection Act, the Sarbanes-Oxley Act, all as they may have been amended from time to time, claims for misclassification, and claims for violation of common law or any other federal, state, or local laws relating to employment or separation from employment or benefits associated with employment or separation for employment.

13.2 Claims Not Covered By this Agreement. Claims for workers' compensation, unemployment insurance, claims for injunctive relief, and claims under California Private Attorneys General Act of 2004, as amended, are not covered by this Agreement. Nothing in this Agreement is intended to prevent you from filing an administrative claim with the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing. Moreover, both you and the Company may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement and/or enforce and arbitration award.

13.3 Arbitration Rules and Procedures. The arbitration is to be conducted in San Francisco, California by JAMS, Inc. ("**JAMS**") or its successors before a mutually selected single neutral arbitrator, under JAMS' then applicable rules and procedures for employment disputes (which will be provided to you upon request); provided that the arbitrator shall: (i) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (ii) issue a written arbitration decision including the arbitrator's essential findings and conclusions on which the award was based and a statement of the award. you and the Company shall be entitled to all rights and remedies that either would be entitled to pursue in a court of law. Questions of whether a claim is subject to arbitration under this Agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. To the maximum extent permitted by applicable law, all claims, disputes, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The Arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. **BOTH YOU AND THE COMPANY ACKNOWLEDGE THAT BY AGREEING TO THIS ARBITRATION PROCEDURE, THEY WAIVE THE RIGHT TO RESOLVE ANY SUCH DISPUTE THROUGH A TRIAL BY JURY OR JUDGE OR ADMINISTRATIVE PROCEEDING**. The Company shall pay all filing fees in excess of those which would be required if the dispute were decided in a court of law (that is, costs that are unique to arbitration) and shall pay the arbitrator's fee. Each party shall pay the fees of its attorneys, the expenses of its witnesses, and any other costs and expenses that the party incurs in connection with the arbitration; provided that an arbitrator may award attorneys' fees to the prevailing party, if the arbitrator determines in its sole discretion that such an award is permitted by applicable law. Any dispute as to whether a cost is unique to arbitration will be exclusively resolved by the arbitrator. Both you and the Company have the right to be represented by legal counsel at any arbitration proceeding. The arbitration proceedings will be confidential to the extent permitted by law. you and the Company will maintain all information and documents exchanged in connection with and in the course of the arbitration as confidential, except to the extent the disclosure of such information or documentation is necessary to enforce any award or challenge any award as permitted by the applicable law.

13.4. No Change in At-Will Employment. This agreement to arbitrate claims is not a contract of employment, expressed or implied, and you and the Company acknowledge that your employment with the Company is at-will and that this agreement does not change the "at-will" status of your employment. **BOTH EMPLOYEE AND THE COMPANY ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS OF SECTION 13, AGREEMENT TO ARBITRATE CLAIMS, AND AGREE TO BE BOUND BY ITS TERMS.**

14. General Provisions.

14.1 Notices. Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by email upon confirmation of receipt) or the next day after sending by overnight carrier, to the Company at its primary office location and to you at the address as listed on the Company payroll.

14.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the Company and you ("the **Parties**").

14.3 Waiver. Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

14.4 Complete Agreement. This Agreement, together with the CIIAA, constitutes the entire agreement between you and the Company with regard to the subject matter hereof and is the complete, final, and exclusive embodiment of the Company's and your agreement with regard to this subject matter. It supersedes any other agreements (including but not limited to, the Offer Letter) or promises made to you by anyone, whether oral or written. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. It cannot be modified or amended except in a writing signed by a duly authorized officer of the Company, with the exception of those changes expressly reserved to the Company's discretion in this Agreement.

14.5 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but both of which taken together will constitute one and the same Agreement.

14.6 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

14.7 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and their respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and you may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

14.8 Tax Withholding. All payments and awards contemplated or made pursuant to this Agreement will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. You acknowledge and agree that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. You have had the opportunity to retain a tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to this Agreement.

14.9 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California.

This offer is subject to satisfactory proof of your identity and right to work in the United States and other applicable pre-employment screenings. We look forward to having you join us. If you have any questions about this Agreement, please do not hesitate to call me.

[Signature Page Follows]

Sincerely,

SHOUTI INC., a Delaware corporation

/s/ Raymond Stevens
Raymond Stevens, Ph.D.
Chief Executive Officer

Accepted and agreed:

s/ Melita Sun Jung
Melita Sun Jung

Date: 4/27/2021

November 24, 2021

Ding Ding, Ph.D.
E-mail: [***]

Re: Offer of Employment

Dear Ding Ding:

ShouTi Inc., a Delaware corporation (the "**Company**"), is pleased to offer you employment on the terms and conditions set forth in this letter agreement (the "**Agreement**").

1. Employment by the Company.

1.1 Position. You will serve as the Company's Chief Financial Officer, reporting the Company's Chief Executive Officer. During the term of your employment with the Company, you will devote your best efforts and all of your business time and attention to the business of the Company, except as permitted in Section 7 of this Agreement and excluding approved vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies. You further agree not to usurp, for your own personal benefit or gain, any opportunities in the Company's line of business. You will be expected to work on a full-time basis and travel as part of your position.

1.2 Start Date. The Company and you agree that your start date with the Company is expected to begin on December 8, 2021 or any earlier date as mutually agreed between the Company and you (such actual start date, the "**Start Date**").

1.3 Duties and Location. You will perform such duties as are customarily associated with the position of Chief Financial Officer (including but not limited to those as set out in Appendix 1 of this Agreement, and such other duties as are assigned to you by the Company's Board of Directors (the "**Board**"). Your primary office locations shall be your home office in New York and the Company's facilities in Shanghai, China, or at such other locations as mutually agreed. Subject to the terms of this Agreement and applicable law, the Company reserves the right to reasonably require you to perform your duties at places other than your primary office location from time to time and to require reasonable business travel.

1.4 Policies and Procedures. The employment relationship between you and the Company will be governed by the general employment policies and practices of the Company, including any Employee Handbook adopted by the Company, as well as by all other rules and policies applicable to the Company's professional employees, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

1.5 At-Will Employment. Your employment relationship with the Company is at-will. Either the Company or you shall have the right to terminate the employment relationship at any time, with or without Cause (as defined below) or advance notice. Should a Company policy exist now or in the future which contradicts this at-will provision, this at-will provision controls the relationship between you and the Company. The at-will nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Board. Nothing in this Agreement is intended to modify the at-will employment relationship between the Company and you.

2. Compensation.

2.1 Base Salary. For services to be rendered hereunder, for the years ending on each of the first and second anniversaries of your Start Date, you shall be paid a base annual salary at the rate of $455,000 (the "**Base Salary**"), less all required and applicable standard payroll deductions and withholdings for federal and state taxes and for any authorized voluntary deductions and payable in accordance with the Company's regular payroll schedule. Your Base Salary shall be reviewed at least annually by the Compensation Committee (the "**Compensation Committee**") of the Board of Directors (the "**Parent Board**") of the Company's parent, ShouTi Inc., a Cayman Islands exempted company (the "**Cayman Parent**").

2.2 Annual Bonus. You will be eligible for an annual target bonus (the "**Annual Bonus**") each calendar year equal to thirty-five percent (35%) of your then current Base Salary at a "**meeting expectations**" level of achievement (the "**Target Bonus Amount**"), which shall be prorated based on the number of days you are actually employed during the calendar year. Whether you receive an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined in the good faith reasonable discretion of the Board, which determination will be based upon the Company's and your achievement of objectives and milestones. The Company's and your objectives and milestones will be established on an annual basis by the Parent Board (or Compensation Committee thereof) in consultation with you, which objectives and milestones may provide for payments above and below target based on the level of performance achievement. No Annual Bonus is guaranteed and, in addition to the other conditions for earning such compensation, and except as provided for in Section 8 below, you must remain an employee in good standing of the Company on the date the Annual Bonus is paid in order to be eligible for and earn any Annual Bonus.

2.3 Signing Bonus. You will receive a one-time signing bonus in the amount of $100,000 (the "**Signing Bonus**"), subject to applicable payroll deductions and withholdings. The Signing Bonus will be paid to you as an advance in a single lump sum on the first regularly-scheduled payroll date after your Start Date, and is provided to you prior to your earning such Signing Bonus. You will not earn the Signing Bonus unless you remain continuously employed with the Company through the one-year anniversary of your Start Date. If your employment terminates under any circumstances before such one-year anniversary date, you agree to repay the Signing Bonus to the Company in full.

3. **Standard Company Benefits**. You will, in accordance with Company policy and the terms and conditions of the applicable Company benefit plan documents, be eligible to participate in the benefit and fringe benefit programs provided by the Company to its executive officers and other employees from time to time. Except as provided below in this Section 3, you will be entitled to paid sick leave, paid time off, and holidays as outlined in the Company's employment policies, and as otherwise required by applicable law. You will also be entitled to all other holiday and paid time off generally available to other executives of the Company. Any such benefits shall be subject to the terms and conditions of the governing benefit plans and policies, as well as the Company's policies and may be changed by the Company in its discretion. Moreover, the Company will reimburse you all reasonable expenses incurred by you for your relocation from your current home base in Shanghai to New York, including but not limited to expenses and penalties for early termination of the lease of your apartment in China, up to an aggregate amount of $60,000. Any reimbursements will be paid to you within thirty (30) days after the date you submit receipts for the expenses, provided you submit those receipts within thirty (30) days after you incur the expense.

4. **Expenses.** The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance or in connection with the performance of your duties hereunder, in accordance with applicable law and the Company's expense reimbursement policy as in effect from time to time, including but not limited to all reasonable expenses incurred during business travel outside of New York, your home office (like housing, meal and transportation cost incurred during extended business trips in China). For the avoidance of doubt, the following are examples of reasonable travel expenses: (a) business class travel for international business trips and for business trips between the East Coast and West Cost of the USA; (b) hotel rate of US$200 to US$400 per day for business trips in China; (c) hotel rate of below US$500 per day for business trips within the US (except in peak seasons or during unusual period (e.g. JP Morgan Healthcare Week in San Francisco)); and (d) taxi / Uber expenses during business trips outside New York.

5. **Equity.**

5.1 **Options**. The Company will recommend to the Compensation Committee that you be granted an option to purchase 925,000 Ordinary Shares of the Cayman Parent (the "**Option**"). Grant of the Option is subject to the approval of the Parent Board. If granted, the Option shall vest over four years of your continuous service with the Company, with twenty-five percent (25%) of the shares subject to the Option grant becoming vested on the first year anniversary of the Start Date, and the remaining shares becoming vested in equal monthly installments over the following thirty-six (36) months of your continuous service. The exercise price of the Option, as well as all other matters related to the Option, will be governed by and subject to the terms and conditions set forth in the Cayman Parent's 2019 Equity Incentive Plan (the "**Equity Plan**"), and the stock option agreement you will be required to electronically accept.

6. **Proprietary Information Obligations.**

6.1 **Proprietary Information Agreement**. As a condition of employment, you shall execute and abide by the Company's standard Confidential Information and Invention Assignment Agreement (the "**CIIAA**").

6.2 Third-Party Agreements and Information. You represent and warrant that your employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that you will perform your duties to the Company without violating any such agreement. You represent and warrant that you do not possess confidential information arising out of prior employment, consulting, or other third party relationships, that would be used in connection with your employment by the Company, except as expressly authorized by that third party. During your employment by the Company, you will use in the performance of your duties only information that is generally known and used by persons with training and experience comparable to your own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by you in the course of your work for the Company. In addition, you represent that you have disclosed to the Company in writing any agreement you may have with any third party (e.g., a former employer) which may limit your ability to perform your duties to the Company, or which could present a conflict of interest with the Company, including but not limited to disclosure (and a copy) of any contractual restrictions on solicitations or competitive activities.

7. Outside Activities and Non-Competition During Employment.

7.1 Outside Activities. Throughout your employment with the Company, you may engage in civic and not-for-profit activities so long as such activities do not interfere with the performance of your duties hereunder or present a conflict of interest with the Company or its affiliates. Subject to the restrictions set forth herein, and only with prior written disclosure to and consent of the Board (which consent will not be unreasonably withheld), you may engage in other types of business or public activities. The Board may rescind such consent, if the Board determines, in its sole discretion, that such activities compromise or threaten to compromise the Company's or its affiliates' business interests or conflict with your duties to the Company or its affiliates.

7.2 Non-Competition During Employment. Throughout your employment with the Company, you will not, without the express written consent of the Board, directly or indirectly serve as an officer, director, stockholder, employee, partner, proprietor, investor, joint ventures, associate, representative or consultant of any person or entity engaged in, or planning or preparing to engage in, business activity competitive with any line of business engaged in (or planned to be engaged in) by the Company or its affiliates; provided, however, that you may purchase or otherwise acquire up to (but not more than) one percent (1%) of any class of securities of any enterprise (without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange. In addition, you will be subject to certain restrictions (including restrictions continuing after your employment ends) outlined in the terms of the CIIAA.

8. Termination of Employment; Severance and Change in Control Benefits.

8.1 Termination Without Cause or Resignation for Good Reason Unrelated to Change in Control. In the event your employment with the Company is terminated by the Company without Cause (as defined below), and other than as a result of your death or Disability (as defined below), or you resign for Good Reason, in either case, at any time except during the Change in Control Period (as defined below), then provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), and provided that you satisfy the Release Requirement in Section 9 below, and remain in compliance with the terms of this Agreement and the CIIAA, the Company shall provide you with the following "**Severance Benefits**":

8.1.1 Severance Payments. You will receive severance pay in the form of continuation of your final monthly Base Salary for a period of six (6) months following termination, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**Severance Payments**"). Subject to Section 10 below, the Severance Payments shall be made on the Company's regular payroll schedule in effect following your Separation from Service date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date (as defined below) shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, your final Base Salary will be calculated prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason.

8.1.2 Prior Year Bonus. If your Separation from Service occurs prior to your receipt of an Annual Bonus payment for the completed calendar year that immediately precedes the calendar year of the Separation from Service, you will also receive an Annual Bonus payment for such preceding calendar year, pursuant to the conditions of Section 2.2 above (the "**Prior Year Bonus**"). The Prior Year Bonus shall be paid, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings, in the calendar year following the year to which the Annual Bonus payment relates, at the same time as the annual bonuses for such calendar year are generally paid to other executives; provided, however that if such payment date is prior to the Release Effective Date (as defined below), the Prior Year Bonus shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

8.1.3 Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If you timely elect continued coverage under COBRA, the Company will reimburse your COBRA premiums to continue your coverage (including coverage for your eligible dependents, if applicable) ("**COBRA Premiums**") through the period starting on the Separation from Service date and ending six (6) months after the Separation from Service date (the "**COBRA Premium Period**"); provided, however, that the Company's provision of such COBRA Premium benefits will immediately cease if during the COBRA Premium Period you becomes eligible for group health insurance coverage through a new employer or you cease to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event you become covered under another employer's group health plan or otherwise cease to be eligible for COBRA during the COBRA Premium Period, you must immediately notify the Company, in writing, of such event.

(ii) Special Cash Payments in Lieu of COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether you or your dependents elect or are eligible for COBRA coverage, the Company instead shall pay to you, on the first day of each calendar month following the Separation from Service date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for your eligible dependents), subject to applicable federal and state tax withholdings and required or voluntarily authorized deductions (such amount, the "**Special Cash Payment**"), for the remainder of the COBRA Premium Period. You may, but are not obligated to, use such Special Cash Payments toward the cost of COBRA premiums or toward premium costs under an individual health plan.

8.1.4 Equity Acceleration. Notwithstanding anything to the contrary set forth in the Equity Plan, any other equity incentive plans or any award agreement, effective as of your Separation from Service date, the vesting and exercisability of the unvested time-based equity awards then held by you shall accelerate as if you had provided an additional six (6) months, of continued services following the Separation from Service date (with monthly prorated vesting during the first year of service), and each such equity award shall remain exercisable, if applicable, following your Separation from Service as set forth in the applicable equity award documents. With respect to any performance-based vesting equity award, such award shall continue to be governed in all respects by the terms of the applicable equity award documents.

8.2 Termination Without Cause or Resignation for Good Reason During Change in Control Period. In the event your employment with the Company is terminated by the Company without Cause (and other than as a result of your death or Disability), or you resign for Good Reason, in either case, at any time during the Change in Control Period (as defined below), then provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), and provided that you satisfy the Release Requirement in Section 9 below and remain in compliance with the terms of this Agreement and the CIIAA, the Company shall instead provide you with the following "**CIC Severance Benefits**":

8.2.1 CIC Severance Payment. You will receive a severance pay in an amount equal to your final annual Base Salary plus your final Target Bonus Amount, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings (the "**CIC Severance Payments**"). Subject to Section 10 below, the CIC Severance Payments shall be made on the Company's regular payroll schedule over the period of twelve (12) months following your Separation from Service date; provided, however that any such payments that are otherwise scheduled to be made prior to the Release Effective Date shall instead accrue and be made on the first regular payroll date following the Release Effective Date. For such purposes, your final Base Salary and Target Bonus Amount will be calculated prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason.

8.2.2 CIC Health Care Continuation Coverage Payments.

(i) COBRA Premiums. If you timely elect continued coverage under COBRA, the Company will reimburse your COBRA premiums to continue your coverage (including coverage for your eligible dependents, if applicable) ("**CIC COBRA Premiums**") through the period starting on the Separation from Service date and ending twelve (12) months after the Separation from Service date (the "**CIC COBRA Premium Period**"); provided, however, that the Company's provision of such CIC COBRA Premium benefits will immediately cease if during the CIC COBRA Premium Period, you become eligible for group health insurance coverage through a new employer or you cease to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event you become covered under another employer's group health plan or otherwise cease to be eligible for COBRA during the CIC COBRA Premium Period, you must immediately notify the Company, in writing, of such event.

(ii) Special Cash Payments in Lieu of CIC COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the CIC COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether you or your dependents elect or are eligible for COBRA coverage, the Company instead shall pay to you, on the first day of each calendar month following the Separation from Service date, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for your eligible dependents), subject to applicable federal and state tax withholdings (such amount, the "**Special CIC Cash Payment**"), for the remainder of the CIC COBRA Premium Period. You may, but are not obligated to, use such Special CIC Cash Payments toward the cost of COBRA premiums.

8.2.3 Prior Year Bonus. If your Separation from Service occurs prior to your receipt of an Annual Bonus payment for the completed calendar year that immediately precedes the calendar year of the Separation from Service, you shall also receive the Prior Year Bonus. The Prior Year Bonus shall be paid, subject to required and voluntarily authorized payroll deductions and federal and state tax withholdings, in the calendar year following the year to which the Annual Bonus payment relates, at the same time as the annual bonuses for such calendar year are generally paid to other executives; provided, however that if such payment date is prior to the Release Effective Date, the Prior Year Bonus shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

8.2.4 Equity Acceleration. Notwithstanding anything to the contrary set forth in the Equity Plan, any other equity incentive plans or any award agreement, effective as of your employment Separation from Service date that occurs during the Change in Control Period, the vesting and exercisability of all equity awards then held by you shall accelerate such that all shares become immediately vested and, if applicable, exercisable by you upon such Separation from Service and shall remain exercisable (if such award is capable of being exercised) following your Separation from Service as set forth in the applicable equity award documents, with any performance-based equity awards accelerating at the "**target**" level of achievement.

8.3 Termination for Death or Disability. In the event your employment with the Company is terminated due to your death or Disability at any time, in lieu of (and not additional to) the Severance Benefits and CIC Severance Benefits described in Sections 8.1 and 8.2 above, and provided that you or your heirs or estate satisfies the Release Requirement in Section 9 below and remains in compliance with the terms of this Agreement and the CIIAA, you (or your heirs or estate) shall receive the prorated amount of the Target Bonus Amount for the year in which the Separation from Service occurs equal to the product of (i) and (ii), where (i) is the product of (a) your final Base Salary (but before giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason) and (b) the percentage to achieve a Target Bonus Amount set forth in Section 2.2 above and where (ii) is (a) the number of days elapsed in the calendar year prior to the date on which the Separation from Service occurs divided by (b) 365 plus the Prior Year Bonus (if applicable), pursuant to the terms and conditions of Sections 8.1.2 and 8.2.3 above (the "**Death or Disability Benefits**"). Notwithstanding the foregoing, you will not be entitled to the payments described in this Section 8.3 if your death or Disability is due to suicide or to your participation in an activity involving a significant risk of personal injury or death.

8.4 Termination for Cause; Resignation Without Good Reason. You will not be eligible for, or entitled to any severance benefits, including (without limitation) the Severance Benefits and CIC Severance Benefits listed in Sections 8.1 and 8.2 above, or the Death and Disability Benefits listed in Section 8.3, if the Company terminates your employment for Cause or you resign your employment without Good Reason.

9. Conditions to Receipt of Severance Benefits and CIC Severance Benefits. To be eligible for any of the Severance Benefits, CIC Severance Benefits or Death or Disability Benefits pursuant to Sections 8.1, 8.2 or 8.3 above, you must satisfy the following release requirement (the "**Release Requirement**"): return to the Company a signed and dated general release of all known and unknown claims in a separation agreement acceptable to the Company (the "Release"), which shall among other things include a mutual non-disparagement provision, but will not release your right to severance benefits (pursuant to the terms and conditions of Section 8 of this Agreement), or to indemnification against third party claims (pursuant to any written indemnification agreement with the Company to which you are a party, the charter, bylaws, or operating agreements of the Company, or under applicable law), and will not increase the scope or duration of any post-employment restrictions on your activities, within the applicable deadline set forth therein, but in no event later than forty-five (45) calendar days following your Separation from Service date, and permit the Release to become effective and irrevocable in accordance with its terms (such effective date of the Release, the "**Release Effective Date**"). No Severance Benefits, CIC Severance Benefits or Death or Disability Benefits will be paid hereunder prior to the Release Effective Date. Accordingly, if you breach the preceding sentence and/or refuse to sign and deliver to the Company an executed Release or sign and deliver to the Company the Release but exercise your right, if any, under applicable law to revoke the Release (or any portion thereof), then you will not be entitled to any severance, payment or benefit under this Agreement.

10. Section 409A. It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether Severance Benefits, CIC Severance Payments, Death or Disability Payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month and one day period measured from the date of your Separation from Service with the Company, (ii) the date of your death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. If the Company determines that any Severance Benefits or CIC Severance Benefits provided under this Agreement constitutes "**deferred compensation**" under Section 409A, and if necessary to avoid taxation under Section 409A, for purposes of determining the schedule for payment of the severance benefits, the effective date of the Release will not be deemed to have occurred any earlier than the sixtieth (60th) date following the Separation From Service, regardless of when the Release actually becomes effective. In addition to the above, to the extent required to comply with Section 409A and the applicable regulations and guidance issued thereunder, if the applicable deadline for you to execute (and not revoke) the applicable Release spans two calendar years, payment of the applicable Severance Benefits, CIC Severance Benefits or Death or Disability Benefits shall not commence until the beginning of the second calendar year. To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts reimbursable to you under this Agreement shall be paid to you on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to you) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to any such payment.

11. Section 280G; Limitations on Payment.

11.1 If any payment or benefit you will or may receive from the Company or otherwise (a "**280G Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then any such 280G Payment provided pursuant to this Agreement (a "**Payment**") shall be equal to the Reduced Amount. The "**Reduced Amount**" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for you. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**").

11.2 Notwithstanding any provision of Section 11.1 to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for you as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (e.g., being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

11.3 Unless you and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 11. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a 280G Payment becomes reasonably likely to occur (if requested at that time by you or the Company) or such other time as requested by you or the Company.11.3 Unless you and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 11. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a 280G Payment becomes reasonably likely to occur (if requested at that time by you or the Company) or such other time as requested by you or the Company.

11.4 If you receive a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 11.1 and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, you agree to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 11.1) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 11.1, you shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

12. Definitions.

12.1 Cause. For purposes of this Agreement, "**Cause**" means the occurrence of any one or more of the following: (i) your conviction of or plea of guilty or nolo contendere to any felony or a crime of moral turpitude; (ii) your willful and continued refusal to follow lawful and reasonable written instructions of the Board or lawful and reasonable written policies and regulations of the Company or its affiliates; (iii) your willful and continued refusal to faithfully and diligently perform the assigned duties of your employment with the Company or its affiliates; (iv) fraudulent conduct by you; (v) willful misconduct by you that materially injures the Company or any affiliate or materially injures the reputation, character and standing of the Company or any affiliate; or (vi) material injury to the Company based on your willful and material breach of this Agreement, the CIIAA, or any written Company policies. An event described in Section 12.1(ii) through Section 12.1(vi) herein shall not be treated as "Cause" until after you have been given written notice of such event, failure, conduct or breach and you fail to cure such event, failure, conduct or breach within 30 calendar days from such written notice; provided, however, that such 30-day cure period shall not be required if the event, failure, conduct or breach is reasonably determined to be incapable of being cured by the Company.

12.2 Change in Control. For purposes of this Agreement, "**Change in Control**" shall have the meaning described in the Cayman Parent's 2019 Equity Incentive Plan.

12.3 Change in Control Period. For purposes of this Agreement, "**Change in Control Period**" means the time period commencing three (3) months before the effective date of a Change in Control and ending on the date that is twelve (12) months after the effective date of a Change in Control.

12.4 Disability. For purposes of this Agreement, "**Disability**" means the inability of you to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

12.5 Good Reason. For purposes of this Agreement, you shall have "**Good Reason**" for resignation from employment with the Company if any of the following actions are taken by the Company without your prior written consent: (i) a reduction in your Base Salary, unless in the same percentage as a salary reduction program applicable generally to the Company's senior executives; (ii) a material reduction in your duties, responsibilities or authority, including removal of requirement to report to anyone other than the Board or the Parent Board; (iii) the material breach by the Company of this Agreement; or (iv) the relocation of your principal place of employment to a place that increases your one-way commute by more than twenty-five (25) miles as compared to your then-current principal place of employment immediately prior to such relocation. In order for you to resign for Good Reason, each of the following requirements must be met: (A) you must provide written notice to the Board within ninety (90) calendar days after your first knowledge of the event giving rise to Good Reason setting forth the basis for your resignation, (B) you must allow the Company at least thirty (30) calendar days from receipt of such written notice to cure such event, (C) such event is not reasonably cured by the Company within such 30 calendar day period (the "**Cure Period**"), and (D) you must resign in writing from all positions you then hold with the Company not later than ninety (90) calendar days after the expiration of the Cure Period.

13. Dispute Resolution/Agreement to Arbitrate Claims. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment from the Company, will be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1, *et seq*. and to the fullest extent permitted by law, by final, binding and confidential arbitration. Except as provided below, the Company and you agree that confidential arbitration is the exclusive, final and biding method for resolving all such claims.

13.1 Claims Covered By this Agreement. Disputes that are subject to arbitration under this Agreement include, but are not limited to, claims for wages or other compensation due, including claims for overtime; meal or rest break claims; claims for breach of any contract or covenant (express or implied); tort claims, including, but not limited to claims for defamation, intentional infliction of emotional distress, invasion of privacy, and all negligence-based claims; personal injury claims; claims for discrimination, harassment and/or retaliation in employment including, but no limited to claims under the California Fair Employment and Housing Act, the California Labor Code, claims arising under Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, the Equal Pay Act, the Employee Retirement Income Security Act, the California Family Rights Act of 1964, the Family and Medical Leave Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Worker Benefit Protection Act, the Sarbanes-Oxley Act, all as they may have been amended from time to time, claims for misclassification, and claims for violation of common law or any other federal, state, or local laws relating to employment or separation from employment or benefits associated with employment or separation for employment.

13.2 Claims Not Covered By this Agreement. Claims for workers' compensation, unemployment insurance, claims for injunctive relief, and claims under California Private Attorneys General Act of 2004, as amended, are not covered by this Agreement. Nothing in this Agreement is intended to prevent you from filing an administrative claim with the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing. Moreover, both you and the Company may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement and/or enforce and arbitration award.

13.3 Arbitration Rules and Procedures. The arbitration is to be conducted in San Francisco, California by JAMS, Inc. ("**JAMS**") or its successors before a mutually selected single neutral arbitrator, under JAMS' then applicable rules and procedures for employment disputes (which will be provided to you upon request); provided that the arbitrator shall: (i) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (ii) issue a written arbitration decision including the arbitrator's essential findings and conclusions on which the award was based and a statement of the award. you and the Company shall be entitled to all rights and remedies that either would be entitled to pursue in a court of law. Questions of whether a claim is subject to arbitration under this Agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. To the maximum extent permitted by applicable law, all claims, disputes, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The Arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. **BOTH YOU AND THE COMPANY ACKNOWLEDGE THAT BY AGREEING TO THIS ARBITRATION PROCEDURE, THEY WAIVE THE RIGHT TO RESOLVE ANY SUCH DISPUTE THROUGH A TRIAL BY JURY OR JUDGE OR ADMINISTRATIVE PROCEEDING.** The Company shall pay all filing fees in excess of those which would be required if the dispute were decided in a court of law (that is, costs that are unique to arbitration) and shall pay the arbitrator's fee. Each party shall pay the fees of its attorneys, the expenses of its witnesses, and any other costs and expenses that the party incurs in connection with the arbitration; provided that an arbitrator may award attorneys' fees to the prevailing party, if the arbitrator determines in its sole discretion that such an award is permitted by applicable law. Any dispute as to whether a cost is unique to arbitration will be exclusively resolved by the arbitrator. Both you and the Company have the right to be represented by legal counsel at any arbitration proceeding. The arbitration proceedings will be confidential to the extent permitted by law. you and the Company will maintain all information and documents exchanged in connection with and in the course of the arbitration as confidential, except to the extent the disclosure of such information or documentation is necessary to enforce any award or challenge any award as permitted by the applicable law.

13.4 No Change in At-Will Employment. This agreement to arbitrate claims is not a contract of employment, expressed or implied, and you and the Company acknowledge that your employment with the Company is at-will and that this agreement does not change the "**at-will**" status of your employment. **BOTH EMPLOYEE AND THE COMPANY ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS OF SECTION 13, AGREEMENT TO ARBITRATE CLAIMS, AND AGREE TO BE BOUND BY ITS TERMS.**

14. General Provisions.

14.1 Notices. Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by email upon confirmation of receipt) or the next day after sending by overnight carrier, to the Company at its primary office location and to you at the address as listed on the Company payroll.

14.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the Company and you ("**the Parties**").

14.3 **Waiver**. Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

14.4 **Complete Agreement**. This Agreement, together with the CIIAA, constitutes the entire agreement between you and the Company with regard to the subject matter hereof and is the complete, final, and exclusive embodiment of the Company's and your agreement with regard to this subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. It cannot be modified or amended except in a writing signed by a duly authorized officer of the Company, with the exception of those changes expressly reserved to the Company's discretion in this Agreement.

14.5 **Counterparts**. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but both of which taken together will constitute one and the same Agreement.

14.6 **Headings**. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

14.7 **Successors and Assigns**. This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and their respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and you may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

14.8 **Tax Withholding**. All payments and awards contemplated or made pursuant to this Agreement will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. You acknowledge and agree that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. You have had the opportunity to retain a tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to this Agreement.

14.9 **Choice of Law**. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California.

This offer is subject to satisfactory proof of your identity and right to work in the United States and other applicable pre-employment screenings. We look forward to having you join us. If you have any questions about this Agreement, please do not hesitate to call me.

[Signature Page Follows]

Sincerely,

SHOUTI INC., a Delaware corporation

/s/ Raymond Stevens
Raymond Stevens, Ph.D.
Chief Executive Officer

Accepted and agreed:

/s/ Ding Ding
Ding Ding, Ph.D.

Date: 11/24/2021

Appendix 1

Examples of Duties of CFO

(a) Budgeting and financial planning;

(b) All forms of financing and capital market activities;

(c) Investments, M&A and business development (Asia specific leadership and globally in conjunction with CEO, COO, CBO);

(d) Strategic direction and planning (Asia specific leadership and globally in conjunction with C-level executive team);

(e) Post deal integration and alliance management (Asia specific leadership and in conjunction with CBO);

(f) Marketing and communication: investor relations and [public relations (Asia specific leadership and in conjunction with CBO)];

(g) Tax efficiency for the Company (in conjunction with COO and CEO);

(h) Cash management and investment policy (in conjunction with COO and CEO)

(i) Internal control, financial reporting and compliance (in conjunction with COO and Board Audit Committee);

(j) Team building and operations (in conjunction with C-level executive team);

(k) Government relations (Asia specific leadership and in conjunction with C-level executive team);

EMPLOYMENT CONTRACT

THIS EMPLOYMENT CONTRACT (this "**Contract**") is entered into by and between the following parties on as of July 22, 2019:

A. **Shanghai ShouTi Biotechnology Co., Ltd.**, a wholly foreign-owned enterprise duly organized and validly existing under the laws of the People's Republic of China (the "**PRC**"), with its registered address at Room 5-148, No. 1 South building of JinChuang Mansion, No. 4560 Jinke Road, China (Shanghai) Pilot Free Trade Zone (the "**Company**"); and

B. **Xichen Lin**, a US citizen with the passport number [***]. residing at [***] (the "**Employee**").

The Company and the Employee are herein referred to collectively as the "**Parties**" and each individually as a "**Party**".

1. CONTRACT TERM

1.1. This Contract shall be a fixed-term employment contract. The term of this Contract shall commence on July 22, 2019 (the "**Commencement Date**") and end on July 22, 2022 (the "**Term**"), unless this Contract is terminated earlier in accordance with its terms.

1.2. The Company does not recognize any of the Employee's years of service (if any) with the Employee's previous employer(s). The Parties hereby agree that the Company is not in any way responsible or liable for any claims or rights that the Employee may have against the Employee's previous employer(s) (if any), and the Employee may not raise any claims or demands against the Company that arose from or are related to the relationship with the Employee's previous employer(s).

1.3. The Contract term includes a probationary period of three (3) months running from the Commencement Date. During the probationary period, the Employee must satisfy the following necessary conditions of employment: (i) satisfactorily performing the job duties specified in Annex A to this Contract and satisfying the work requirements and conditions of employment specified in Annex A, in addition to any requirements or conditions provided in any offer letter and/or recruitment advertisements; (ii) fulfilling all the representations, warranties, and undertakings listed in Article 4 hereof; (iii) satisfactorily passing any background check; (iv) providing valid original or notarized copies or the Employee's educational diplomas if so requested by the Company; and (v) complying fully with all Company rules, regulations and policies, any non-compliance will be deemed as a failure to meet the conditions of employment irrespective of the gravity of the breach.

2. POSITION, DUTIES, AND LOCATION OF WORK

2.1. The Employee will hold the position of President and General Manager. The Employee will engage in work as set forth in the job description attached hereto as Annex A. The Employee agrees that the Company may reasonably transfer the Employee to a different job position on a temporary or permanent basis pursuant to its business or operational requirements and in line with the Employee's professional, technical or physical abilities and work performance.

2.2. The Employee will perform all duties hereunder in good faith and to the best of the Employee's ability. The Employee agrees to devote all working time, attention and energies to the business of the Company and to be available at all reasonable times to perform such work as the Company may require. The Employee may not in any way act against the interests of the Company. The Employee shall always conduct himself in the best interest of the Company.

2.3. The Employee will primarily be based in Shanghai, but will engage in travel as part of the Employee's work.

2.4. The Employee hereby agrees that the Company may arrange for the Employee to work from home or at the Company's office site, depending on factors such as the Company's business needs and the characteristics of the Employee's job position and function. If the Employee is arranged to mainly work at home, the Company may request the Employee to go to the office to attend meetings, report to the Employee's supervisor or handle other assignments or business at any time and the Company reserves the right to change the Employee's main work site.

2.5. The Company may, within reason, reassign the Employee to another branch office or liaison office of the Company, or temporarily second the Employee to other locations, in accordance with business needs and to the extent permissible by law. The Employee may also be required and hereby agrees to travel to such places (whether within or outside the PRC) and in such manner and on such occasions as the Company may from time to time designate, or attend such training (either in the PRC or elsewhere) as the Company may determine.

3. REMUNERATION AND SOCIAL INSURANCE

3.1. The Employee's annual base pay is RMB 1,400,000 before the deduction of payable tax and the Employee's portion of social insurance, housing fund and other required contributions, if any. The Company may adjust the Employee's annual base pay as it implements new wage systems or adjusts wage levels. The Employee will be paid twelve (12) monthly pays for each calendar year.

3.2. The Company shall have full discretion to decide any bonus (in addition to the Employee's base pay) paid to the Employee. Such bonus is based upon the Employee's performance of meeting objectives that are mutually agreed upon by the Employee and the Company. In addition, such bonus is subject to the terms and conditions of the Company's bonus plan currently in force. Specifics of the plan will be introduced to the Employee during the orientation. The Company shall have sole discretion to decide whether a bonus shall be paid to the Employee, such bonus shall not be regarded as a contractual entitlement under any circumstances and shall not constitute any promise of paying other annual bonus.

3.3. The Company will withhold individual income tax and the Employee's portion of social insurance, housing fund and any other required contributions from the Employee's remuneration as required by PRC laws and regulations. The Company will, in accordance with applicable laws and regulations, pay the social insurance and housing fund contributions that it is required to bear.

3.4. The Company may utilize a third party agency to handle payroll matters.

3.5. The Company will reimburse reasonable business expenses incurred by the Employee in relation to work performed. Such expenses must be directly and solely in relation to work performed for and on behalf of the Company, and should be necessary in order to complete the Employee's job duties. Such reimbursements are subject to the Employee providing relevant receipts or invoices documenting the expenses incurred, with brief explanation of the reason for such expenses.

4. REPRESENTATIONS, WARRANTIES, AND UNDERTAKINGS

4.1. The Employee hereby represents, warrants, and undertakes the following:

(a) that the Employee acknowledges in writing having received Company policies provided by the Company such as the Employee Handbook and will execute and agree to abide by any additional agreements provided by the Company;

(b) that as of the Commencement Date and through the term of this Contract, the Employee is not employed by any other entity, that the Employee's employment by the Company under the Contract does not violate any contractual or statutory obligations of the Employee (including but not limited to non-compete restrictions or any other type of restrictive covenant), and that the Employee has full capacity to enter into the Contract;

(c) that the Employee possesses and/or will fully cooperate with the Company in obtaining the governmental permits/registrations necessary to be employed by and have social insurance and housing fund contributions made by the Company at the location specified in Article 2.3 or any location to which the Employee may be assigned in accordance with Article 2.5;

(d) that the Employee possesses the professional qualifications, licenses, and/or permits necessary to perform the job duties set out in the Contract and that the Employee will maintain such qualifications, licenses, and/or permits throughout the term of the Contract;

(e) that all information and data the Employee provided to the Company during the recruitment process and/or will provide at any point during the term of employment, including but not limited to any information and data, e.g., the Employee own personal particulars, education, qualifications, work experience and other relevant details, stated on the Employee's resume or provided during interviews with the Company, are true and correct, and at the request of the Company, the Employee shall provide original copies of documents related to the Employee's recruitment or qualifications;

(f) that the Employee consents to reasonable third party or Company investigations of the Employee's background and qualifications both prior to the Commencement Date and during the Contract term as may be necessary. and that the Employee will cooperate with such investigations;

(g) that on or before the Commencement Date, the Employee will provide or already has provided the Company with a document signed by the Employee's previous employer as proof that the Employee's previous employment relationship has been terminated or has ended; and

(h) that the Employee is in good health as of the Commencement Date and, if requested by the Company, prior to the Commencement Date, the Employee will submit to a medical examination at a hospital/clinic designated by the Company. The results of such medical examination shall be available to the Company, satisfy the reasonable and legal requirements of the Company and be consistent with the Employee's representation of good health.

4.2. The Company has entered into this Contract in reliance of the representations made by the Employee. If the Employee is found having violated any of the representations, warranties and undertakings under the items (b), (d) or (e) of Article 4.1, the Employee will be considered to have used deception to cause this Contract to be concluded, and the Company will thus be entitled to terminate this Contract immediately, having relied upon those representations.

5. WORK CONDITIONS, WORKING HOURS AND LEAVE

5.1. The Company will provide the Employee with work conditions, labour protection, and protection against occupational hazards that conform to PRC laws and regulations.

5.2. The Employee will be entitled to fifteen (15) days annual leave, plus all national holidays in the PRC in each calendar year. Annual leave entitlement will be prorated in accordance with actual working period in such calendar year. The Employee shall take the whole of his/her annual leave entitlement in respect of a calendar year within such calendar year. If this is not possible due to working reasons, the Employee may, with the written approval of his/her immediate supervisor or the legal representative of the Company, take deferred annual leave in the following calendar year.

5.3. The Employee is subject to standard working hours system. Standard working hours during the workdays are from 9:00 am to 6:00 pm, Monday to Friday, and the lunch break is one (1) hour per day. The Company's hours of work shall not exceed eight (8) hours per day or forty-four (44) hours per week. The Employee shall devote sufficient time to his/her work and finish all his/her work properly and promptly.

If the Employee's position has already been approved to work under a working hours system different from the standard working hours system or if the Company in the future obtains such approval, the Employee hereby agrees to automatically be subject to that alternative working hours system. The Employee hereby agrees to provide any assistance necessary for and fully cooperate with the Company in its application for the Employee to work under the alternative working hours system. If no such approval is obtained, the Employee shall work overtime only if the Employee is so instructed by the supervising manager or the Employee obtains written approval from the supervising manager to work ove1iime.

5.4. If the Employee needs more than three (3) day's leave because of illness or a non-work related injury, the Employee must provide the Company with a written note, letter, certificate or other form of written documentation from a qualified licensed doctor of a public hospital as evidence of the Employee's non-work-related illness or injury.

The Company has the right to require the Employee to provide any other reasonable relevant supporting medical documents (such as medical records, hospital registration, receipts, and invoices) or to undergo a second medical check with another hospital designated by the Company at the expense of the Company (and the Company can designate a HR personnel or another member of the Company to accompany the Employee to go through the second medical check). In case of discrepancy, the written note, letter, certificate or other type of written documentation from the Company-appointed hospital shall serve as the final evidence of the Employee's non-work-related illness or injury. If the Employee fails to provide such written evidence to the Company or refuses to submit to a medical examination by a Company appointed hospital or refuses to be accompanied by a colleague to conduct the second medical check, any leave taken will not be recognized by the Company and will be .considered an unexcused leave of absence, for which the Company will deduct from the Employee's monthly base pay an amount proportional to the unexcused leave taken, or deducted from the Employee's annual leave entitlement and, if the annual leave entitlement for the year has already been completely used, then a proportional deduction will be made from the Employee's monthly base pay.

5.5. During the statutory medical treatment period, the Employee's sick leave pay shall be paid at the minimum rate allowed under applicable laws and regulations, unless the Company's rules and regulations provide otherwise.

6. PERSONAL CONDUCT, BEHAVIOR AND DISCIPLINE

6.1. The Employee hereby confirms receipt of a copy of the Company's applicable rules and policies. If the Employee has not received a copy of such rules and policies then the Employee shall immediately obtain a copy from the Company's Human Resources department.

6.2. The Employee agrees to observe and comply with all rules, regulations, trade clearance policy, procedural practices and arrangements of the Company (specified in the Employee Handbook) and in other labor rules and regulations of the Company (collectively, the "**Employee Rules**") as they may be amended (whether by way of internal memorandum or otherwise) from time to time. The Employee shall be required to sign acknowledgement of the terms and conditions in the Employee Handbook and Employee Rules on the Commencement Date or (if the Employee Handbook and/or Employee Rules are not in existence on the Commencement Date) on the date of adoption by Company of its initial Employee Handbook and Employee Rules. The Company may reward and discipline the Employee in accordance with such rules and regulations. This Contract (including its Exhibits), the Employee Handbook and Employee Rules contain terms and conditions of the whole agreement between the Employee and the Company relating to the Employee's employment with the Company. Where there is any inconsistency between the terms of the Employee Handbook or Employee Rules and this Contract, the terms of this Contract shall prevail.

6.3. The Company retains the right to formulate, change, modify, suspend, interpret or cancel, through statutory procedures, in whole or in part, the provisions of the Employee Handbook or Employee Rules.

6.4. The Employee must faithfully and fully implement instructions or resolutions from supervisors, the board of directors of the Company and/or the parent company of the Company.

6.5. During the term of employment, the Employee shall not engage in any business for the Employee's own account or on the account of third parties (including but not limited to any business competitor of the Company and/or any of its affiliates) and shall not accept any position in any private or public organizations without the written consent of the Company; and likewise the Employee agrees to devote the whole of the Employee's time and attention during normal working hours and at such other times as are reasonably necessary to the service of the Company. The Employee may not sit on any board of directors, or be a director of any public company without prior approval from the Company. The Employee may not have any outside interests which could compromise the Company in any way, or would impair or impact on the Employee's work performance. The Employee shall abide by the Company's conflict of interest policy at all times during employment.

6.6. The Employee agrees to make every effort to maintain and protect the reputation of the Company, its related entities and their businesses, products, directors, officers, employees, and agents. The Employee hereby agrees not to disparage or make any defamatory statements either verbally or in writing to the media, in a public forum including in all forms of social media not limited to social networking sites, all other internet postings including blogs about the Company and its related entities or their businesses, products, directors, officers, employees, and agents (or persons representing them in their official capacity) or engage in any activities that could be anticipated to harm or result in any damage to the Company's or its related entities' reputation, operations, or relationships with current or prospective customers, suppliers or employees and will not encourage, instruct, induce or assist any other person to do so.

6.7. The Employee agrees to comply with all applicable laws, regulations, and governmental orders of China (as well as any laws, regulations, or governmental orders of the United States of America with extra-territorial application, including but not limited to the Foreign Corrupt Practices Act), now or hereafter in effect, relating to the Employee's employment by the Company. Without limiting the generality of the foregoing, the Employee represents and warrants that the Employee has not, and shall not at any time during the Employee's employment with the Company, pay, give, or offer or promise to pay or give. any money or any other thing of value. directly or indirectly, to, or for the benefit of: (i) any government official. political party. candidate for political office or public international organization; or (ii) any other person, firm, corporation or other entity, with knowledge that some or all of that money or other thing of value will be paid, given, offered or promised to a government official, political party, candidate for political office, or public international organization, for the purpose of obtaining or retaining any business, or to obtain any other unfair advantage, in connection with the Company's business.

6.8. The Employee acknowledges that the Company's products, and all technical data pertaining to those products, may be subject to export controls under the laws and regulations of China, and the United States of America. During the employment with the Company. the Employee shall comply strictly with all such export controls, and, without limiting the generality of this clause, the Employee shall not export, re-export, transfer or divert any of the Company products, and technical data pertaining to such Company products, or any direct product thereof to any destination, end-use or end-user that is prohibited or restricted under United States export control laws and regulations, except as specifically authorized by the United States Department of Commerce. The obligations under this clause shall survive the expiration or termination of this Contract.

6.9. If the Employee violates any provision under Articles 6.2, 6.4, 6.5, 6.6, 6.7 and 6.8, the Employee will be considered to have seriously violated the Company's rules and regulations, and the Company will be entitled to terminate this Contract immediately without severance. In addition, the Employee shall compensate the Company for the losses incurred by it due to the Employee's violation of Article 6.

7. TERMINATION OF THE CONTRACT

7.1. The Company may terminate the Contract on any ground and in any circumstance allowable under the law, and shall provide prior notice or pay in lieu of notice to the Employee if and as required under the law.

7.2. During the probationary period, if the Employee fails to fulfil the necessary conditions of employment listed in Article 1.3 hereof, the Employee will be considered "to have been proved during the probationary period not to meet the conditions for employment." Under such a circumstance, the Company shall have the right to terminate this Contract without prior notice, and without payment of severance.

7.3. The Company may terminate the Contract if the Employee needs to convalesce after suffering a non-work-related illness or injury and, at the end of the Employee's statutory medical treatment period, cannot engage in the Employee's original work or in other suitable work arranged by the Company. The Company is under no obligation to create a new job position for the Employee in this situation. During the medical treatment period, the Company has the right to hire another individual to fulfil the Employee's job duties. The Company reserves the right to assign the Employee to a suitable and available alternative position upon the Employee's return, should the Employee's original job position have been filled by other Company employees or otherwise. If the Employee is not able to return to the Employee's work or no suitable alternative position is available after the expiration of the statutory medical treatment period, then the Employee will be considered as "being unable to engage in the Employee's original work or in other work arranged by the employer".

7.4. The Company may terminate the Contract in accordance with the law if the Employee is "incompetent" (meaning that the Employee (i) is unable to fulfill the Employee's duties or performance goals as set out in the Contract, in other agreements between the Parties, in board of directors resolutions or management plans, or in relevant Company policies strictly in accordance with the management's instructions, and/or (ii) is unable to fulfill the Employee's duties at the level generally expected of Company employees in a similar job or persons employed from outside to perform a similar type of work), and "remains incompetent" after undergoing the usual training for the Employee's assigned position (such training may consist placing the Employee on a performance improvement plan) or after assignment to another post (which need not carry responsibilities, a grade or a pay level equivalent to those of the original post) within the Company. In addition, if the Employee is "incompetent" but refuses or fails to participate in any performance improvement plan arranged for the Employee, or job adjustment provided by the Company, the Employee will be deemed to "remain incompetent", and the Company may terminate this Contract in accordance with the law.

7.5. If there is a major change in the objective circumstances upon which this Contract is concluded causing the Contract to no longer be performable as originally intended, then, to make the Contract performable, the Company may in its discretion offer the Employee either: (a) an existing alternative job (if an appropriate alternative job is available which may be at a different level of seniority and/or pay); or (b) putting the Employee on leave of absence and paying a basic living allowance (instead of full salary), which will be equal to the statutory local minimum wage in the location where the Contract is performed. If the Employee refuses the aforesaid offer or docs not respond within fifteen 15 calendar days after receipt of the offer, then the Parties will be deemed to have failed to reach an agreement on amending the Contract to make it performable, and the Company may terminate this Contract.

Major changes in objective circumstances shall include but are not limited to the Company undergoing reorganization or restructuring (including but not limited to the elimination of job functions or positions), or experiencing production and operational difficulties that genuinely necessitate staff reduction, relocation, asset transfer, merger through absorption or closure of departments or offices.

7.6. The Company reserves the right to require the Employee not to attend work or engage in any of the Employee's duties of employment at any point during this Contract, including during any notice period, and may suspend the Employee during any investigation for breach of discipline or violation of the law. During any period where the Employee is instructed not to attend work, the Employee shall be deemed to have first been put on annual leave. The Employee will only receive base pay (as stated in Article 3.1 of this Contract) and statutory benefits during any period of leave; all other additional compensation and benefits including but not limited to any bonus and commission will not accrue in relation to the leave period.

7.7. The Employee is required to provide at least thirty (30) days' prior written notice to resign from the Employee's position with the Company. The Company has the right to withhold issuing proof of termination and/or undertaking any other termination procedures until the full notice period has been completed. The Company may waive the Employee's notice period if requested or if otherwise deemed necessary. Any waiver will be at the discretion of the Company.

7.8. The Employee agrees that, at the time of leaving the employment of the Company for whatever reason, the Employee will deliver to the person designated by the Company (and will not keep in the Employee's possession, custody or control or deliver to anyone else) all Company property, including but not limited to any and all Company chops (including without limitation the Company's official chop, contract chop, financial chop, and any other chops belonging to the Company or any affiliated or related entity of the Company), Company-provided computer and/or laptop, car, cell phone, blackberry, and other devices, keys, badges, Company bank cards, cash advances, contracts, records, data, notes, reports, proposals, lists, correspondence, business information, client information, specifications, drawings, blueprints, sketches, inventions, copyrightable works, materials, equipment and any other documents or property belonging to the Company, its successors or assignees or their clients, customers or licensees and all reproductions or summaries of any of the aforementioned items in whatever format, whether or not they contain confidential information. The above items must be returned in a state acceptable to the Company, without damage or deletion of content. The Employee agrees that all of the foregoing, except for third party information, will remain the Company's property at all times. Payment of the severance (if any) is expressly conditioned on the return of all Company property in acceptable form and completion of the handover procedure, and the Company reserves the right to deduct the value of any and all such unreturned or damaged Company property from any payment (such as settlement payment) payable to the Employee to the extent allowed by law.

8. LIABILITY FOR BREACH OF CONTRACT AND COMPENSATION

8.1. If either Party breaches the Contract, thereby causing the other Party to suffer damage, the Party in breach will be liable to pay compensation to the non-breaching Party for such damage.

8.2. To the extent permitted by law, the Company reserves the right to deduct from the Employee's pay an amount equivalent to the damages suffered by the Company as a result of the Employee's breach of: (i) this Contract; (ii) any of the Company's rules, regulations, or policies; or (iii) any instructions from the management of the Company and/or the resolutions of the board of directors of the Company, as well as any other action of the Employee that causes the Company to suffer direct monetary damages or loss.

9. PROTECTION OF INFORMATION AND INTELLECTUAL PROPERTY

9.1. As a condition of employment by the Company, the Employee shall enter into a Confidentiality, Inventions Assignment, Non-Competition and Non-Solicitation Agreement in the form attached to this Contract as Annex B with the Company on the same date as this Contract.

10. MISCELLANEOUS PROVISIONS

10.1. The Employee consents that the Company shall electronically and manually hold and process any data it collects, stores or processes which relates to the Employee, in the course of his/her employment and during the course of any non-compete period, for the purposes of the administration and management of its employees and its business and for compliance with applicable procedures, laws and regulations. It may also be necessary for the Company to forward such data to other offices they may have within or outside the PRC, including but not limited to the USA, where such data shall be stored and/or processed by the received offices, and the Employee consents to them of doing so as may be necessary from time to time.

10.2. This Contract shall come into effect when it is signed by the parties and after all of the following conditions have been satisfied or waived at the sole discretion of the Company:

(a) the Employee has promised that he/she is at liberty to take up employment with the Company and perform all the obligations set out in this Contract without limitation and without breaching any obligations or duties which he/she owes to a third party;

(b) the Employee has obtained all necessary regulatory registrations. filings on and/or approvals for the performance of his/her duties with the Company. such as the PRC work permit, the official termination letter issued by the former employer(s) etc.

10.3. By signing this Contract, the Employee hereby acknowledges that the Company has truthfully informed the Employee as to the content of the work, working conditions, place of work, occupational hazards, safety conditions, and salary compensation.

10.4. The Employee acknowledges and agrees both prior to and during the Employee's employment with the Company. to the collection, maintenance, use and transfer of the Employee's personal information by the Company for human resources management, background checks, investigations, and other legitimate employment/business related purposes within and outside of the PRC. Specifically, and in addition to the foregoing, the Employee acknowledges and agrees that the Company may transfer the Employee's personal information to its affiliated companies or vendors inside and outside the PRC for employee benefits processing and other human resources management related purposes. Personal data will be collected only for lawful and relevant purposes and all practicable steps will be taken to ensure that personal data held by the Company is accurate. If there is any change in the Employee's personal information collected by the Company, the Employee is responsible to report such changes to the Company in a timely manner. The Company will take all practicable steps to ensure the security of the personal data and to avoid unauthorized or accidental access, or other use.

10.5. The contents of the Company's IT resources and communications systems are Company property. Therefore, employees should have no expectation of privacy in any message, files, data, document, facsimile, telephone conversation, social media post conversation or message, or any other kind of information or communications transmitted to, received or printed from, or stored or recorded on Company electronic information and communications systems. The Company reserves the right to monitor, intercept and review, without further notice, employee activities using Company IT resources and communications systems and the Employee acknowledges and consents to such monitoring by the Employee's use of such resources and systems.

10.6. Both Parties hereby acknowledge and agree that any written notice served on the other Party, either in person or posted to the Party's address as specified in the header of this Contract (unless a Party has notified the other Party in writing of a change in address, in which case notice should be served to such Party at the last updated address), shall be deemed as valid and effective notice. Notice served in person shall be deemed effective on the clay of delivery; and notice served by post shall be deemed effective on the day following the posting. Notice may also be effectively served through e-mail or other electronic messaging system, and will be deemed as effectively served on the day of transmission. Employee notice to the Company should be addressed to Human Resources.

10.7. Except as otherwise provided herein, any amendment to the terms of this Contract shall be made in writing and must have the agreement of both Parties. In the event that any term hereof conflicts with the rules and regulations of the Company, this Contract will prevail. Any matters that have not been addressed in the Contract will be handled in accordance with the rules and regulations of the Company.

10.8. This Contract is the entire agreement between the Parties and supersedes any and all prior oral and written agreements between the Parties, except as may be specified herein.

10.9. If any Article or portion of any Article of this Contract should ever be determined to be unenforceable, it is agreed that this will not affect the enforceability of the remainder of this Contract.

10.10. Any waiver by the Company of a breach of any provision of the Contract by the Employee shall not operate or be construed as a waiver by the Company of any subsequent breach of such provision or any other provision hereof.

10.11. This Contract shall be governed by PRC law. In the event that an employment dispute arises between the Employee and the Company, the Parties will first try to resolve the dispute through consultation, and if this fails, either Party may submit the dispute to the exclusive jurisdiction of the local employment dispute arbitration tribunal proximate to the Company's registered address, and if either Party is not satisfied with the arbitration decision, such Party may submit the dispute to the people's court proximate to the Company's registered address. Notwithstanding the foregoing, the Parties agree that in certain cases, where permissible by law, either Party may submit a claim directly to the exclusive jurisdiction of the court proximate to the Company's registered address.

10.12. This Contract is executed in the English and Chinese languages. Both language versions shall be equally valid.

10.13. This Contract shall become effective and binding on the latest date signed below.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Contract on the date first set forth above.

The Company

For and on behalf of **Shanghai ShouTi Biotechnology Co., Ltd**. (chop)

/s/ Raymond Stevens
Signature

Raymond Stevens
Name

Legal Representative
Title

The Employee

/s/ Xichen Lin
Signature

Xichen Lin
Name

ANNEX A

JOB DESCRIPTION

AND

CONDITIONS OF EMPLOYMENT

1. Perform duties that are normally associated with the Employee's position of President and General Manager.

2. Perform any other duties the Employee may be instructed to carry out by the Company from time to time that are reasonably within the scope of the Employee's job position and work capabilities.

ANNEX B

CONFIDENTIALITY, INVENTIONS ASSIGNMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

CONFIDENTIALITY, INVENTIONS ASSIGNMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

This CONFIDENTIALITY, INVENTIONS ASSIGNMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT (this "**Agreement**") is made and entered into as of July 22, 2019 ("**Effective Date**"), by and between **Shanghai ShouTi Biotechnology Co., Ltd.** (the "**Company**"), a limited liability company organized and existing under the laws of People's Republic of China ("**China**" or the "**PRC**"), and the undersigned individual (the "**Employee**"). Unless the context otherwise requires, the term "Company" in this Agreement shall also include all subsidiary, parent or related corporations of the Company.

AGREEMENT

The Employee acknowledges that the Employee's employment by the Company creates a relationship of confidence and trust between the Employee and the Company with respect to all Confidential Information (as defined below) of the Company.

In consideration and as a condition of the Employee's employment by the Company, the compensation paid to and the benefits received by the Employee, the sufficiency of which is hereby acknowledged, the Employee is hereby agrees as follows:

1. Confidential Information

(a) Confidentiality. Except as herein provided, the Employee agrees that during the term of his or her employment with the Company and thereafter, he or she (i) shall keep Confidential Information (as defined below) in confidence and shall not directly or indirectly, use, divulge, publish or otherwise disclose or allow to be disclosed any aspect of Confidential Information without the Company's prior written consent; (ii) shall refrain from any action or conduct which might reasonably or foreseeably be expected to compromise the confidentiality or proprietary nature of the Confidential Information; and (iii) shall follow recommendations made by the Board of Directors, officers or supervisors of the Company from time to time regarding Confidential Information. "**Confidential Information**" includes, but is not limited to, inventions (as defined in Section 3(b) below), trade secrets, confidential information, knowledge or data of the Company, or any of its clients, customers, consultants, shareholders, licensees, licensors, vendors or affiliates, that the Employee may produce, obtain or otherwise acquire or have access to during the course of his or her employment by the Company (whether before or after the date of this Agreement), including but not limited to: business plans, records, and affairs; customer files and lists; special customer matters; sales practices; methods and techniques; merchandising concepts, strategies and plans; sources of supply and vendors; special business relationships with vendors, agents, and brokers; promotional materials and information; financial matters; mergers; acquisitions; equipment, technologies and processes; selective personnel matters; inventions; developments; product specifications; procedures; pricing information; intellectual property; know-how; technical data; software programs; algorithms; operations and production costs; processes; designs; formulas; ideas; plans; devices; materials; and other similar matters which are confidential. All Confidential Information and all tangible materials containing Confidential Information are and shall remain the sole property of the Company. The Employee agrees that the Company is not obligated to pay any compensation for any of his obligations under this Section 1.

(b) Limitation. The Employee shall have no obligation under this Agreement to maintain in confidence any information (i) that is in the public domain at the time of disclosure, (ii) that used to be Confidential Information, but subsequently enters the public domain other than by breach of the Employee's obligations hereunder or by breach of another person's or entity's confidentiality obligations, or (iii) that is shown by documentary evidence to have been known by the Employee prior to disclosure to the Employee by the Company.

(c) Former Employer Information. The Employee agrees that he or she has not and will not, during the term of his or her employment, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity with which the Employee has an agreement or duty to keep in confidence information acquired by the Employee, if any, or (ii) bring onto the premises of the Company any document or confidential or proprietary information belonging to such employer, person or entity unless consented to in writing by such employer, person or entity. The Employee will indemnify the Company and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of suit, arising out of or in connection with any violation of the foregoing.

(d) Third Party Information. The Employee recognizes that the Company may have received, and in the future may receive, from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. The Employee agrees that the Employee owes the Company and such third parties, during the Employee's employment by the Company and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person or firm and to use it in a manner consistent with, and for the limited purposes permitted by, the Company's agreement with such third party.

(e) Conflicting Activities. While employed by the Company, the Employee will not work as an employee or consultant of any other organization or engage in any other activities which conflict with the obligations to the Company, without the express prior written approval of the Company.

2. Return of Confidential Material

In the event of the Employee's termination of employment with Company for any reason whatsoever, the Employee agrees promptly to surrender and deliver to Company all records, materials, equipment, drawings, documents and data of any nature pertaining to any Confidential Information or to his or her employment, and the Employee will not retain or take with him or her any tangible materials or electronically stored data, containing or pertaining to any Confidential Information that the Employee may produce, acquire or obtain access to during the course of his or her employment.

3. Inventions

(a) Inventions Retained and Licensed. The Employee has attached hereto, as Exhibit 1, a list describing all inventions, discoveries, ideas, original works of authorship, development, improvements, technical methods, know-how, and trade secrets which were made by the Employee prior to his employment with the Company (collectively referred to as "**Prior Inventions**"), which belong to the Employee, relate to the Company's proposed business, products or research and development, and are not assigned to the Company hereunder. Or if no such list is attached, the Employee represents that there are no such Prior Inventions. If in the course of the Employee's employment with the Company, the Employee incorporates into a Company product, process, or machine a Prior Invention owned by the Employee or in which the Employee has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to make, have made, modify, use and sell such Prior Invention as part of or in connection with such product, process, or machine.

(b) Assignment of Inventions. The Employee hereby acknowledges and agrees that the Company shall have a complete, absolute and exclusive right, title, and interest in and for any and all inventions, discoveries, ideas, designs, copyrightable works, original works of authorship, developments, improvements, concepts, technical methods, know-how, trade secrets, and other productions or items containing intellectual properties of any nature, whether or not patentable or otherwise registrable under the laws of any countries, and whether or not reduced to practice, made or conceived by the Employee, whether solely by the Employee or jointly with others, (a) during the period of the Employee's employment with the Company, (i) that relate in any manner to the actual or demonstrably anticipated business, work, or research and development of the Company, its affiliates or subsidiaries, or (ii) that are developed in whole or in part on the Company's time or using the Company's equipment, supplies, facilities or Confidential Information, or (iii) that result from or are suggested by any task assigned to the Employee or any work performed by the Employee for or on behalf of the Company, its affiliates or subsidiaries, or within the scope of the Employee's duties and responsibilities with the Company, its affiliates or subsidiaries, and (b) within three (3) year after termination of the Employee's employment with the Company that are related to any of the Employee's activities during the term of the Employee's employment with the Company (collectively referred to as "**Inventions**"). In the event that the Employee has any right or title to or interest in any Inventions, the Employee hereby assigns such right, title or interest to the Company. In the event that the Employee cannot assign any right or title to or interest in any Inventions to the Company, he/her hereby grants the Company an exclusive, royalty-free, assignable, irrevocable and worldwide license (including the right to sublicense through multilayered sublicensing) to exercise such right, title and interest that the Employee cannot assign to the Company. If the Employee can neither assign nor license to the Company any right, title or interest he/she may have to or in any Inventions, the Employee hereby irrevocably waives his right to assert and agrees that he/she will never assert any claims against the Company or any Company's successor with respect to such right, title or interest that the Employee can neither assign nor license to the Company. The Employee hereby waives any moral rights to which he/she may have to the Inventions.

(c) Disclosure of Inventions and Records. The Employee agrees that in connection with any Invention, (i) the Employee shall promptly disclose such Invention in writing to his immediate supervisor at the Company (which disclosure shall be received in confidence by the Company), with a copy to the Chief Executive Officer of the Company, regardless of whether the Employee believes the Invention is protected by the PRC Patent Law, the PRC Copyright Law or any other laws and regulations, in order to permit the Company to claim rights to which it may be entitled under this Agreement; and (ii) the Employee shall, at the Company's request, promptly execute a written assignment of the title in relation to any Invention to the Company, and the Employee will preserve any such Invention as Confidential Information of the Company. The Employee agrees to keep and maintain adequate and current written records of all Inventions and sign his name thereon during the term of his employment with the Company. The records will be in the form of notes, sketches, drawings, and any other format or manner, which may be specified by the Company from time to time. The records will be available to and remain the exclusive and sole property of the Company at all times.

(d) Patent and Copyright Registrations. The Employee agrees to assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in the Inventions and any copyright, patents, mask work rights or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Company shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to the Company, its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. The Employee further agrees that his obligation to execute or cause to be executed. when it is in his power to do so, any such instrument or papers shall continue after the termination of this Agreement. If the Company is pursuing any application for any PRC or foreign patents or copyright registrations covering Inventions or original works of authorship assigned to the Company as above, then the Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his agent and attorney in fact, to act for and on the Employee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright registrations thereon with the same legal force and effect as if executed by the Employee.

(e) Reward, Remuneration and Other Rights. The Employee hereby agrees that the Company will reward him/her for his Inventions in accordance with the policies of the Company on rewards for employee inventions. The Company will pay reward to the Employee within three (3) months from the date of patent issue, of which the reward for an invention patent amounts to RMB3,000 and the rewards for a utility model patent or a design patent amounts to RMB1,000. The Company will pay one-time remuneration to the Employee within six (6) months from the date of patent issue, of which the remuneration for an invention patent or a utility model patent amounts to RMB3,000 and the remuneration for a design patent amounts to RMB1,000, unless otherwise agreed in writing by and between the Company and the Employee. The Employee understands that such reward, remuneration, as well as the salary and other compensation the Company pays in accordance with his Employment Contract with the Company constitute all the reward and remuneration the Employee is entitled to for the Inventions (including but not limited to the "reward" and "reasonable remuneration" set forth in Article 16 of the PRC Patent Law). The Employee hereby irrevocably waives any claim against the Company for any other reward or remuneration for any Inventions, regardless of whether the Company implements or licenses such Inventions or whether the Company makes any profit or receives any royalty payment or license fees from such Inventions. The Employee hereby also irrevocably waives any residual rights (including but not limited to the right of first refusal under the PRC Contract Law) to the Inventions that the Employee may have when the Company sells, transfers or otherwise disposes of the Inventions.

4. Non-Competition Obligation

In consideration of the receipt by the Employee of Confidential Information and that the work of the Employee involves commercial secrets of the Company, the Employee agrees to perform the obligations set forth in this Clause, which obligations the Employee recognizes are applicable to the Employee under the applicable laws and regulations (including without limitation the Employment contract Law of the People's Republic of China). The Employee agrees that during his employment with the Company, he/she will not engage directly or indirectly, whether as an employee, consultant, or in any other capacity, in any other business (including the Employee's own business), which involves the development, management, or sale of technologies or products that are the same as or similar to those developed, managed, or sold by the Company or in any other business that involves any services the same as or similar to those provided by the Company.

The Employee further agrees not to, in the capacity of employee, advisor or otherwise, directly or indirectly participate in the development, operation or sale of any technology or products or business (including his own business) identical or similar to the technology or products the Employee develops, operates or sells before leaving his office or be engaged in other services identical or similar to the services the Employee actually provides before leaving his office within two (2) years after the release or termination of the employment between the Employee and the Company (the "**Non-Compete Period**"). During the Non-Compete Period, the Employee shall continue to perform the non-compete obligations hereunder, and the Company agrees to pay compensations to the Employees on a monthly basis in an amount equal to thirty percent (30%) of the average monthly salary of the Employee in the twelve-month period immediately prior to the termination of his employment on the tenth (10th) clay of the next calendar month. If the Employee has only been employed by the Company for less than a year, then the average monthly salary of the Employee shall be calculated by the actual length of his/her employment. The Company may withhold individual income tax for the Employee if required by the applicable laws and regulations. The Employee agrees that the compensation is sufficient and reasonable. Notwithstanding the foregoing, the Employee hereby agrees that the Company shall have the right to decide in its sole discretion to exempt the Employee from the non-compete obligations at any time and pay compensation for any elapsed non-compete period to the Employee as required by law, and the Company will not pay any additional consideration for such obligations for the remainder of the period. After termination of the employment but before the Company making the payment of the compensation, the Employee shall provide the Company with the letter of employment issued by the new employer (including the new employer's contact details and the statements of the social insurance payment) or the original copy of an valid un-employment certificate issued by the local labour and social insurance department which has jurisdiction over the Employee's registered domicile, valid postal address, telephone number and the bank account number of the Employee to receive the economic compensation. If the Employee changes his/her employer, the Employee shall provide the Company the supporting documentary evidence of the new employer. If the Employee fails to provide the aforesaid documents, the Company is entitled to suspend the payment of the economic compensation to the Employee without releasing the Employee's duty of non-competition.

5. Non-Solicitation Obligation

The Employee agrees that during his employment with the Company and for three (3) years following termination of his employment for any reason, he or she will not either for the Employee himself/herself or for any other person or entity (i) directly or indirectly, or attempt to solicit, induce, recruit or encourage any of the Company's employees to leave their employment, or take away such employees; or (ii) directly or indirectly solicit the business of any client or customer of the Company (other than on behalf of the Company), or directly or indirectly induce or influence the client or customer of the Company for them to restrict or cancel the business relationship with the Company. The Employee hereby agrees that the Company is not obligated to pay additional consideration for this non-solicitation obligation.

6. Remedies for Violation

The Employee hereby acknowledges that the Employee's obligations set forth in this Agreement are reasonable and necessary to protect the legitimate interests of the Company. In the event that the Employee breaches the obligations of confidentiality and non-competition under this Agreement, the Employee agrees that he/she shall compensate the Company for any damages the Company suffers as a result of the Employee's breach. The Employee acknowledges that any violation of this Agreement will cause substantial and irreparable harm to the Company so that monetary damages alone would not be an adequate remedy for such violation. Therefore, if the Company reasonably believes that any actual or threatened breach of this Agreement has taken place or will take place, the Company is entitled to, in addition to any other remedies it may have, injunctive or any other equitable relief to enforce this Agreement.

7. Effectiveness of Agreement

In the event it is determined by a court of competent jurisdiction or a duly empanelled arbitral tribunal that any provision of this Agreement is unenforceable by reason of its extending for too great a period of time, over too large a geographic area, or over too great a range of activities, then such provision should be interpreted to extend over only the maximum period of time, geographic area, or range of activities as to which it may be enforceable.

8. Notification of New Employer

In the event that the Employee leaves the Company's employ, the Employee hereby agrees and promises that he/she will, and agrees that the Company can, notify the Employee's new employer of the Employee's rights and obligations under this Agreement.

9. Representations

The Employee agrees to execute any proper oath or verify any proper document required to carry out or evidence compliance with the terms of this Agreement. The Employee represents that his or her performance of all the terms of this Agreement, and as an employee of the Company, will not breach any agreement to keep in confidence proprietary information acquired by the Employee in confidence or in trust prior to the Employee's retention by the Company. The Employee has not entered into, and the Employee agrees that he or she will not enter into, any oral or written agreement in conflict with this Agreement.

10. Dispute Resolution

Any claim, controversy or dispute arising from the execution of, or in connection with, this Agreement shall be submitted to a competent People's Court in the place where the Company is formed, unless otherwise required by the applicable laws or regulations.

11. Governing Law

This Agreement will be governed by the laws of the PRC.

12. Entire Agreement

This Agreement sets forth the entire agreement and understanding between the Company and the Employee relating to the subject matter herein and merges all prior discussions and agreements between the parties with respect that subject matter. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the parties. Any subsequent change(s) in the Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

13. Severability

If one or more of the provisions in this Agreement are deemed void by law, then the remaining provisions will continue in full force and effect.

14. Successors and Assigns

This Agreement will be binding upon the Employee's heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successors, and its assigns. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

15. Counterparts

This Agreement may be signed in two counterparts, each of which shall be deemed an original and both of which shall together constitute one and the same instrument.

[Signatures page follows]

IN WITNESS WHEREOF, the Company and the Employee have caused this Agreement to be executed on the date first written above in two (2) originals.

(Shanghai ShouTi Biotechnology Co., Ltd.)

(Signature): /s/ Raymond Stevens

(Name): Raymond Stevens

(Title): Legal Representative

(Signature): /s/ Xichen Lin

(Name): Xichen Lin

EXHIBIT 1

LIST OF PRIOR INVENTIONS AND ORIGINAL WORKS OF AUTHORSHIP

(Title)	(Date)	(Identifying Number or Brief Description)

Exhibit 10.11

EMPLOYMENT CONTRACT

THIS EMPLOYMENT CONTRACT (this "**Contract**") is entered into by and between the following parties on as of May 11, 2021：

A. **Shanghai Basecamp Biotechnology Co., Ltd.**, a wholly foreign-owned enterprise duly organized and validly existing under the laws of the People's Republic of China (the "**PRC**"), with its registered address at Room 5-123 and 5-129, No.1 South building of JinChuang Mansion, No. 4560 Jinke Road, China (Shanghai) Pilot Free Trade Zone (the "**Company**"); and

B. **Yingli Ma**, a PRC citizen with the PRC ID Card number [***], residing at [***] (the "**Employee**").

The Company and the Employee are herein referred to collectively as the "**Parties**" and each individually as a "**Party**".

1. CONTRACT TERM

1.1. This Contract shall be a fixed-term employment contract. The term of this Contract shall commence on May 11, 2021 (the "**Commencement Date**") and end on May 10, 2024 (the "**Term**"), unless this Contract is terminated earlier in accordance with its terms.

1.2. The Company does not recognize any of the Employee's years of service (if any) with the Employee's previous employer(s). The Parties hereby agree that the Company is not in any way responsible or liable for any claims or rights that the Employee may have against the Employee's previous employer(s) (if any), and the Employee may not raise any claims or demands against the Company that arose from or are related to the relationship with the Employee's previous employer(s).

1.3. The Contract term includes a probationary period of three (3) months running from the Commencement Date. During the probationary period, the Employee must satisfy the following necessary conditions of employment: (i) satisfactorily performing the job duties specified in Annex A to this Contract and satisfying the work requirements and conditions of employment specified in Annex A, in addition to any requirements or conditions provided in any offer letter and/or recruitment advertisements; (ii) fulfilling all the representations, warranties, and undertakings listed in Article 4 hereof; (iii) satisfactorily passing any background check; (iv) providing valid original or notarized copies of the Employee's educational diplomas if so requested by the Company; and (v) complying fully with all Company rules, regulations and policies, any non-compliance will be deemed as a failure to meet the conditions of employment irrespective of the gravity of the breach.

2. POSITION, DUTIES, AND LOCATION OF WORK

2.1. The Employee will hold the position of President and General Manager. The Employee will engage in work as set forth in the job description attached hereto as Annex A. The Employee agrees that the Company may reasonably transfer the Employee to a different job position on a temporary or permanent basis pursuant to its business or operational requirements and in line with the Employee's professional, technical or physical abilities and work performance.

2.2. The Employee will perform all duties hereunder in good faith and to the best of the Employee's ability. The Employee agrees to devote all working time, attention and energies to the business of the Company and to be available at all reasonable times to perform such work as the Company may require. The Employee may not in any way act against the interests of the Company. The Employee shall always conduct himself in the best interest of the Company.

2.3. The Employee will primarily be based in Shanghai, but will engage in travel as part of the Employee's work.

2.4. The Employee hereby agrees that the Company may arrange for the Employee to work from home or at the Company's office site, depending on factors such as the Company's business needs and the characteristics of the Employee's job position and function. If the Employee is arranged to mainly work at home, the Company may request the Employee to go to the office to attend meetings, report to the Employee's supervisor or handle other assignments or business at any time and the Company reserves the right to change the Employee's main work site.

2.5. The Company may, within reason, reassign the Employee to another branch office or liaison office of the Company, or temporarily second the Employee to other locations, in accordance with business needs and to the extent permissible by law. The Employee may also be required and hereby agrees to travel to such places (whether within or outside the PRC) and in such manner and on such occasions as the Company may from time to time designate, or attend such training (either in the PRC or elsewhere) as the Company may determine.

3. REMUNERATION AND SOCIAL INSURANCE

3.1. The Employee's annual base pay is RMB 2,448,000 before the deduction of payable tax and the Employee's portion of social insurance, housing fund and other required contributions, if any. The Company may adjust the Employee's annual base pay as it implements new wage systems or adjusts wage levels. The Employee will be paid twelve (12) monthly pays for each calendar year.

3.2. The Company operates a discretionary bonus structure to reward and incentivize employees. The Employee may be considered eligible for bonus in accordance with this structure. The Employee will only be eligible to receive a bonus if the Employee satisfies the criteria of any bonus plan under the Company's bonus structure. The decision whether to pay a bonus, its amount, and the timing of payment (if any) shall be at the absolute discretion of the Company and conditioned upon satisfactory achievement of performance objectives set for the Employee by the Company. The Company may in its sole discretion elect to pay to the Employee variable and non-recurrent bonus in accordance with the Company's compensation policy, at an annual target amount equal to 25% of the Employee's base pay, provided that the amount of any discretionary bonus awarded to Employ for calendar year 2021 shall be prorated based on the actual number of days that the Employee works for the Company during calendar year 2021. The Employee will only be eligible to be considered for a bonus if the Employee is still employed by the Company and not within any period of notice of termination on the payment date, as the primary purpose of the bonus is to incentivize the Employee to remain with the Company. Receipt of a bonus in one year is not a guarantee of future bonus or similar bonus amount.

3.3. The Company will withhold individual income tax and the Employee's portion of social insurance, housing fund and any other required contributions from the Employee's remuneration as required by PRC laws and regulations. The Company will, in accordance with applicable laws and regulations, pay the social insurance and housing fund contributions that it is required to bear.

3.4. The Company may utilize a third party agency to handle payroll matters.

3.5. The Company will reimburse reasonable business expenses incurred by the Employee in relation to work performed. Such expenses must be directly and solely in relation to work performed for and on behalf of the Company, and should be necessary in order to complete the Employee's job duties. Such reimbursements are subject to the Employee providing relevant receipts or invoices documenting the expenses incurred, with brief explanation of the reason for such expenses.

4. REPRESENTATIONS, WARRANTIES, AND UNDERTAKINGS

4.1. The Employee hereby represents, warrants, and undertakes the following:

(a) that the Employee acknowledges in writing having received Company policies provided by the Company such as the Employee Handbook and will execute and agree to abide by any additional agreements provided by the Company;

(b) that as of the Commencement Date and through the term of this Contract, the Employee is not employed by any other entity, that the Employee's employment by the Company under the Contract does not violate any contractual or statutory obligations of the Employee (including but not limited to non-compete restrictions or any other type of restrictive covenant), and that the Employee has full capacity to enter into the Contract;

(c) that the Employee possesses and/or will fully cooperate with the Company in obtaining the governmental permits/registrations necessary to be employed by and have social insurance and housing fund contributions made by the Company at the location specified in Article 2.3 or any location to which the Employee may be assigned in accordance with Article 2.5;

(d) that the Employee possesses the professional qualifications, licenses, and/or permits necessary to perform the job duties set out in the Contract and that the Employee will maintain such qualifications, licenses, and/or permits throughout the term of the Contract;

(e) that all information and data the Employee provided to the Company during the recruitment process and/or will provide at any point during the term of employment, including but not limited to any information and data, e.g., the Employee own personal particulars, education, qualifications, work experience and other relevant details, stated on the Employee's resume or provided during interviews with the Company, are true and correct, and at the request of the Company, the Employee shall provide original copies of documents related to the Employee's recruitment or qualifications;

(f) that the Employee consents to reasonable third party or Company investigations of the Employee's background and qualifications both prior to the Commencement Date and during the Contract term as may be necessary, and that the Employee will cooperate with such investigations;

(g) that on or before the Commencement Date, the Employee will provide or already has provided the Company with a document signed by the Employee's previous employer as proof that the Employee's previous employment relationship has been terminated or has ended; and

(h) that the Employee is in good health as of the Commencement Date and, if requested by the Company, prior to the Commencement Date, the Employee will submit to a medical examination at a hospital/clinic designated by the Company. The results of such medical examination shall be available to the Company, satisfy the reasonable and legal requirements of the Company and be consistent with the Employee's representation of good health.

4.2. The Company has entered into this Contract in reliance of the representations made by the Employee. If the Employee is found having violated any of the representations, warranties and undertakings under the items (b), (d) or (e) of Article 4.1, the Employee will be considered to have used deception to cause this Contract to be concluded, and the Company will thus be entitled to terminate this Contract immediately, having relied upon those representations.

5. WORK CONDITIONS, WORKING HOURS AND LEAVE

5.1. The Company will provide the Employee with work conditions, labour protection, and protection against occupational hazards that conform to PRC laws and regulations.

5.2. The Employee will be entitled to fifteen (15) days annual leave, plus all national holidays in the PRC in each calendar year. Annual leave entitlement will be prorated in accordance with actual working period in such calendar year. The Employee shall take the whole of his/her annual leave entitlement in respect of a calendar year within such calendar year. If this is not possible due to working reasons, the Employee may, with the written approval of his/her immediate supervisor or the legal representative of the Company, take deferred annual leave in the following calendar year.

5.3. The Employee is subject to standard working hours system. Standard working hours during the workdays are from 9:00 am to 6:00 pm, Monday to Friday, and the lunch break is one (1) hour per day. The Company's hours of work shall not exceed eight (8) hours per day or forty-four (44) hours per week. The Employee shall devote sufficient time to his/her work and finish all his/her work properly and promptly.

If the Employee's position has already been approved to work under a working hours system different from the standard working hours system or if the Company in the future obtains such approval, the Employee hereby agrees to automatically be subject to that alternative working hours system. The Employee hereby agrees to provide any assistance necessary for and fully cooperate with the Company in its application for the Employee to work under the alternative working hours system. If no such approval is obtained, the Employee shall work overtime only if the Employee is so instructed by the supervising manager or the Employee obtains written approval from the supervising manager to work overtime.

5.4. If the Employee needs more than three (3) day's leave because of illness or a non-work related injury, the Employee must provide the Company with a written note, letter, certificate or other form of written documentation from a qualified licensed doctor of a public hospital as evidence of the Employee's non-work-related illness or injury.

The Company has the right to require the Employee to provide any other reasonable relevant supporting medical documents (such as medical records, hospital registration, receipts, and invoices) or to undergo a second medical check with another hospital designated by the Company at the expense of the Company (and the Company can designate a HR personnel or another member of the Company to accompany the Employee to go through the second medical check). In case of discrepancy, the written note, letter, certificate or other type of written documentation from the Company-appointed hospital shall serve as the final evidence of the Employee's non-work-related illness or injury. If the Employee fails to provide such written evidence to the Company or refuses to submit to a medical examination by a Company appointed hospital or refuses to be accompanied by a colleague to conduct the second medical check, any leave taken will not be recognized by the Company and will be considered an unexcused leave of absence, for which the Company will deduct from the Employee's monthly base pay an amount proportional to the unexcused leave taken, or deducted from the Employee's annual leave entitlement and, if the annual leave entitlement for the year has already been completely used, then a proportional deduction will be made from the Employee's monthly base pay.

5.5. During the statutory medical treatment period, the Employee's sick leave pay shall be paid at the minimum rate allowed under applicable laws and regulations, unless the Company's rules and regulations provide otherwise.

6. PERSONAL CONDUCT, BEHAVIOR AND DISCIPLINE

6.1. The Employee hereby confirms receipt of a copy of the Company's applicable rules and policies. If the Employee has not received a copy of such rules and policies then the Employee shall immediately obtain a copy from the Company's Human Resources department.

6.2. The Employee agrees to observe and comply with all rules, regulations, trade clearance policy, procedural practices and arrangements of the Company (specified in the Employee Handbook) and in other labor rules and regulations of the Company (collectively, the "**Employee Rules**") as they may be amended (whether by way of internal memorandum or otherwise) from time to time. The Employee shall be required to sign acknowledgement of the terms and conditions in the Employee Handbook and Employee Rules on the Commencement Date or (if the Employee Handbook and/or Employee Rules are not in existence on the Commencement Date) on the date of adoption by Company of its initial Employee Handbook and Employee Rules. The Company may reward and discipline the Employee in accordance with such rules and regulations. This Contract (including its Exhibits), the Employee Handbook and Employee Rules contain terms and conditions of the whole agreement between the Employee and the Company relating to the Employee's employment with the Company. Where there is any inconsistency between the terms of the Employee Handbook or Employee Rules and this Contract, the terms of this Contract shall prevail.

6.3. The Company retains the right to formulate, change, modify, suspend, interpret or cancel, through statutory procedures, in whole or in part, the provisions of the Employee Handbook or Employee Rules.

6.4. The Employee must faithfully and fully implement instructions or resolutions from supervisors, the board of directors of the Company and/or the parent company of the Company.

6.5. During the term of employment, the Employee shall not engage in any business for the Employee's own account or on the account of third parties (including but not limited to any business competitor of the Company and/or any of its affiliates) and shall not accept any position in any private or public organizations without the written consent of the Company; and likewise the Employee agrees to devote the whole of the Employee's time and attention during normal working hours and at such other times as are reasonably necessary to the service of the Company. The Employee may not sit on any board of directors, or be a director of any public company without prior approval from the Company. The Employee may not have any outside interests which could compromise the Company in any way, or would impair or impact on the Employee's work performance. The Employee shall abide by the Company's conflict of interest policy at all times during employment.

6.6. The Employee agrees to make every effort to maintain and protect the reputation of the Company, its related entities and their businesses, products, directors, officers, employees, and agents. The Employee hereby agrees not to disparage or make any defamatory statements either verbally or in writing to the media, in a public forum including in all forms of social media not limited to social networking sites, all other internet postings including blogs about the Company and its related entities or their businesses, products, directors, officers, employees, and agents (or persons representing them in their official capacity) or engage in any activities that could be anticipated to harm or result in any damage to the Company's or its related entities' reputation, operations, or relationships with current or prospective customers, suppliers or employees and will not encourage, instruct, induce or assist any other person to do so.

6.7. The Employee agrees to comply with all applicable laws, regulations, and governmental orders of China (as well as any laws, regulations, or governmental orders of the United States of America with extra-territorial application, including but not limited to the Foreign Corrupt Practices Act), now or hereafter in effect, relating to the Employee's employment by the Company. Without limiting the generality of the foregoing, the Employee represents and warrants that the Employee has not, and shall not at any time during the Employee's employment with the Company, pay, give, or offer or promise to pay or give, any money or any other thing of value, directly or indirectly, to, or for the benefit of: (i) any government official, political party, candidate for political office or public international organization; or (ii) any other person, firm, corporation or other entity, with knowledge that some or all of that money or other thing of value will be paid, given, offered or promised to a government official, political party, candidate for political office, or public international organization, for the purpose of obtaining or retaining any business, or to obtain any other unfair advantage, in connection with the Company's business.

6.8. The Employee acknowledges that the Company's products, and all technical data pertaining to those products, may be subject to export controls under the laws and regulations of China, and the United States of America. During the employment with the Company, the Employee shall comply strictly with all such export controls, and, without limiting the generality of this clause, the Employee shall not export, re-export, transfer or divert any of the Company products, and technical data pertaining to such Company products, or any direct product thereof to any destination, end-use or end-user that is prohibited or restricted under United States export control laws and regulations, except as specifically authorized by the United States Department of Commerce. The obligations under this clause shall survive the expiration or termination of this Contract.

6.9. If the Employee violates any provision under Articles 6.2, 6.4, 6.5, 6.6, 6.7 and 6.8, the Employee will be considered to have seriously violated the Company's rules and regulations, and the Company will be entitled to terminate this Contract immediately without severance. In addition, the Employee shall compensate the Company for the losses incurred by it due to the Employee's violation of Article 6.

7. TERMINATION OF THE CONTRACT

7.1. The Company may terminate the Contract on any ground and in any circumstance allowable under the law, and shall provide prior notice or pay in lieu of notice to the Employee if and as required under the law.

7.2. During the probationary period, if the Employee fails to fulfil the necessary conditions of employment listed in Article 1.3 hereof, the Employee will be considered "to have been proved during the probationary period not to meet the conditions for employment." Under such a circumstance, the Company shall have the right to terminate this Contract without prior notice, and without payment of severance.

7.3. The Company may terminate the Contract if the Employee needs to convalesce after suffering a non-work-related illness or injury and, at the end of the Employee's statutory medical treatment period, cannot engage in the Employee's original work or in other suitable work arranged by the Company. The Company is under no obligation to create a new job position for the Employee in this situation. During the medical treatment period, the Company has the right to hire another individual to fulfil the Employee's job duties. The Company reserves the right to assign the Employee to a suitable and available alternative position upon the Employee's return, should the Employee's original job position have been filled by other Company employees or otherwise. If the Employee is not able to return to the Employee's work or no suitable alternative position is available after the expiration of the statutory medical treatment period, then the Employee will be considered as "being unable to engage in the Employee's original work or in other work arranged by the employer".

7.4. The Company may terminate the Contract in accordance with the law if the Employee is "incompetent" (meaning that the Employee (i) is unable to fulfill the Employee's duties or performance goals as set out in the Contract, in other agreements between the Parties, in board of directors resolutions or management plans, or in relevant Company policies strictly in accordance with the management's instructions, and/or (ii) is unable to fulfill the Employee's duties at the level generally expected of Company employees in a similar job or persons employed from outside to perform a similar type of work), and "remains incompetent" after undergoing the usual training for the Employee's assigned position (such training may consist placing the Employee on a performance improvement plan) or after assignment to another post (which need not carry responsibilities, a grade or a pay level equivalent to those of the original post) within the Company. In addition, if the Employee is "incompetent" but refuses or fails to participate in any performance improvement plan arranged for the Employee, or job adjustment provided by the Company, the Employee will be deemed to "remain incompetent", and the Company may terminate this Contract in accordance with the law.

7.5. If there is a major change in the objective circumstances upon which this Contract is concluded causing the Contract to no longer be performable as originally intended, then, to make the Contract performable, the Company may in its discretion offer the Employee either: (a) an existing alternative job (if an appropriate alternative job is available which may be at a different level of seniority and/or pay); or (b) putting the Employee on leave of absence and paying a basic living allowance (instead of full salary), which will be equal to the statutory local minimum wage in the location where the Contract is performed. If the Employee refuses the aforesaid offer or does not respond within fifteen 15 calendar days after receipt of the offer, then the Parties will be deemed to have failed to reach an agreement on amending the Contract to make it performable, and the Company may terminate this Contract.

Major changes in objective circumstances shall include but are not limited to the Company undergoing reorganization or restructuring (including but not limited to the elimination of job functions or positions), or experiencing production and operational difficulties that genuinely necessitate staff reduction, relocation, asset transfer, merger through absorption or closure of departments or offices.

7.6. The Company reserves the right to require the Employee not to attend work or engage in any of the Employee's duties of employment at any point during this Contract, including during any notice period, and may suspend the Employee during any investigation for breach of discipline or violation of the law. During any period where the Employee is instructed not to attend work, the Employee shall be deemed to have first been put on annual leave. The Employee will only receive base pay (as stated in Article 3.1 of this Contract) and statutory benefits during any period of leave; all other additional compensation and benefits including but not limited to any bonus and commission will not accrue in relation to the leave period.

7.7. The Employee is required to provide at least thirty (30) days' prior written notice to resign from the Employee's position with the Company. The Company has the right to withhold issuing proof of termination and/or undertaking any other termination procedures until the full notice period has been completed. The Company may waive the Employee's notice period if requested or if otherwise deemed necessary. Any waiver will be at the discretion of the Company.

7.8. The Employee agrees that, at the time of leaving the employment of the Company for whatever reason, the Employee will deliver to the person designated by the Company (and will not keep in the Employee's possession, custody or control or deliver to anyone else) all Company property, including but not limited to any and all Company chops (including without limitation the Company's official chop, contract chop, financial chop, and any other chops belonging to the Company or any affiliated or related entity of the Company), Company-provided computer and/or laptop, car, cell phone, blackberry, and other devices, keys, badges, Company bank cards, cash advances, contracts, records, data, notes, reports, proposals, lists, correspondence, business information, client information, specifications, drawings, blueprints, sketches, inventions, copyrightable works, materials, equipment and any other documents or property belonging to the Company, its successors or assignees or their clients, customers or licensees and all reproductions or summaries of any of the aforementioned items in whatever format, whether or not they contain confidential information. The above items must be returned in a state acceptable to the Company, without damage or deletion of content. The Employee agrees that all of the foregoing, except for third party information, will remain the Company's property at all times. Payment of the severance (if any) is expressly conditioned on the return of all Company property in acceptable form and completion of the handover procedure, and the Company reserves the right to deduct the value of any and all such unreturned or damaged Company property from any payment (such as settlement payment) payable to the Employee to the extent allowed by law.

8. LIABILITY FOR BREACH OF CONTRACT AND COMPENSATION

8.1. If either Party breaches the Contract, thereby causing the other Party to suffer damage, the Party in breach will be liable to pay compensation to the non-breaching Party for such damage.

8.2. To the extent permitted by law, the Company reserves the right to deduct from the Employee's pay an amount equivalent to the damages suffered by the Company as a result of the Employee's breach of: (i) this Contract; (ii) any of the Company's rules, regulations, or policies; or (iii) any instructions from the management of the Company and/or the resolutions of the board of directors of the Company, as well as any other action of the Employee that causes the Company to suffer direct monetary damages or loss.

9. PROTECTION OF INFORMATION AND INTELLECTUAL PROPERTY

9.1. As a condition of employment by the Company, the Employee shall enter into a Confidentiality, Inventions Assignment, Non-Competition and Non-Solicitation Agreement in the form attached to this Contract as Annex B with the Company on the same date as this Contract.

10. MISCELLANEOUS PROVISIONS

10.1. The Employee consents that the Company shall electronically and manually hold and process any data it collects, stores or processes which relates to the Employee, in the course of his/her employment and during the course of any non-compete period, for the purposes of the administration and management of its employees and its business and for compliance with applicable procedures, laws and regulations. It may also be necessary for the Company to forward such data to other offices they may have within or outside the PRC, including but not limited to the USA, where such data shall be stored and/or processed by the received offices, and the Employee consents to them of doing so as may be necessary from time to time.

10.2. This Contract shall come into effect when it is signed by the parties and after all of the following conditions have been satisfied or waived at the sole discretion of the Company:

(a) the Employee has promised that he/she is at liberty to take up employment with the Company and perform all the obligations set out in this Contract without limitation and without breaching any obligations or duties which he/she owes to a third party;

(b) the Employee has obtained all necessary regulatory registrations, filings on and/or approvals for the performance of his/her duties with the Company, such as the PRC work permit, the official termination letter issued by the former employer(s) etc.

10.3. By signing this Contract, the Employee hereby acknowledges that the Company has truthfully informed the Employee as to the content of the work, working conditions, place of work, occupational hazards, safety conditions, and salary compensation.

10.4. The Employee acknowledges and agrees both prior to and during the Employee's employment with the Company, to the collection, maintenance, use and transfer of the Employee's personal information by the Company for human resources management, background checks, investigations, and other legitimate employment/business related purposes within and outside of the PRC. Specifically, and in addition to the foregoing, the Employee acknowledges and agrees that the Company may transfer the Employee's personal information to its affiliated companies or vendors inside and outside the PRC for employee benefits processing and other human resources management related purposes. Personal data will be collected only for lawful and relevant purposes and all practicable steps will be taken to ensure that personal data held by the Company is accurate. If there is any change in the Employee's personal information collected by the Company, the Employee is responsible to report such changes to the Company in a timely manner. The Company will take all practicable steps to ensure the security of the personal data and to avoid unauthorized or accidental access, or other use.

10.5. The contents of the Company's IT resources and communications systems are Company property. Therefore, employees should have no expectation of privacy in any message, files, data, document, facsimile, telephone conversation, social media post conversation or message, or any other kind of information or communications transmitted to, received or printed from, or stored or recorded on Company electronic information and communications systems. The Company reserves the right to monitor, intercept and review, without further notice, employee activities using Company IT resources and communications systems and the Employee acknowledges and consents to such monitoring by the Employee's use of such resources and systems.

10.6. Both Parties hereby acknowledge and agree that any written notice served on the other Party, either in person or posted to the Party's address as specified in the header of this Contract (unless a Party has notified the other Party in writing of a change in address, in which case notice should be served to such Party at the last updated address), shall be deemed as valid and effective notice. Notice served in person shall be deemed effective on the day of delivery; and notice served by post shall be deemed effective on the day following the posting. Notice may also be effectively served through e-mail or other electronic messaging system, and will be deemed as effectively served on the day of transmission. Employee notice to the Company should be addressed to Human Resources.

10.7. Except as otherwise provided herein, any amendment to the terms of this Contract shall be made in writing and must have the agreement of both Parties. In the event that any term hereof conflicts with the rules and regulations of the Company, this Contract will prevail. Any matters that have not been addressed in the Contract will be handled in accordance with the rules and regulations of the Company.

10.8. This Contract is the entire agreement between the Parties and supersedes any and all prior oral and written agreements between the Parties, except as may be specified herein.

10.9. If any Article or portion of any Article of this Contract should ever be determined to be unenforceable, it is agreed that this will not affect the enforceability of the remainder of this Contract.

10.10. Any waiver by the Company of a breach of any provision of the Contract by the Employee shall not operate or be construed as a waiver by the Company of any subsequent breach of such provision or any other provision hereof.

10.11. This Contract shall be governed by PRC law. In the event that an employment dispute arises between the Employee and the Company, the Parties will first try to resolve the dispute through consultation, and if this fails, either Party may submit the dispute to the exclusive jurisdiction of the local employment dispute arbitration tribunal proximate to the Company's registered address, and if either Party is not satisfied with the arbitration decision, such Party may submit the dispute to the people's court proximate to the Company's registered address. Notwithstanding the foregoing, the Parties agree that in certain cases, where permissible by law, either Party may submit a claim directly to the exclusive jurisdiction of the court proximate to the Company's registered address.

10.12. This Contract is executed in the English and Chinese languages. Both language versions shall be equally valid.

10.13. This Contract shall become effective and binding on the latest date signed below.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Contract on the date first set forth above.

The Company

For and on behalf of **Shanghai Basecamp Biotechnology Co., Ltd.** (*chop*)

/s/ Raymond Stevens
Signature

Raymond Stevens
Name

Legal Representative
Title

The Employee

/s/ Yingli Ma
Signature

Yingli Ma
Name

ANNEX A

JOB DESCRIPTION
AND
CONDITIONS OF EMPLOYMENT

1. Perform duties that are normally associated with the Employee's position of President and General Manager.

2. Perform any other duties the Employee may be instructed to carry out by the Company from time to time that are reasonably within the scope of the Employee's job position and work capabilities.

ANNEX B

CONFIDENTIALITY, INVENTIONS ASSIGNMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

CONFIDENTIALITY, INVENTIONS ASSIGNMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

This CONFIDENTIALITY, INVENTIONS ASSIGNMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT (this "Agreement") is made and entered into as of May 11, 2021 ("**Effective Date**"), by and between **Shanghai Basecamp Biotechnology Co., Ltd.** (the "**Company**"), a limited liability company organized and existing under the laws of People's Republic of China ("**China**" or the "**PRC**"), and the undersigned individual (the "**Employee**"). Unless the context otherwise requires, the term "Company" in this Agreement shall also include all subsidiary, parent or related corporations of the Company.

AGREEMENT

The Employee acknowledges that the Employee's employment by the Company creates a relationship of confidence and trust between the Employee and the Company with respect to all Confidential Information (as defined below) of the Company.

In consideration and as a condition of the Employee's employment by the Company, the compensation paid to and the benefits received by the Employee, the sufficiency of which is hereby acknowledged, the Employee is hereby agrees as follows:

1. Confidential Information

(a) Confidentiality. Except as herein provided, the Employee agrees that during the term of his or her employment with the Company and thereafter, he or she (i) shall keep Confidential Information (as defined below) in confidence and shall not directly or indirectly, use, divulge, publish or otherwise disclose or allow to be disclosed any aspect of Confidential Information without the Company's prior written consent; (ii) shall refrain from any action or conduct which might reasonably or foreseeably be expected to compromise the confidentiality or proprietary nature of the Confidential Information; and (iii) shall follow recommendations made by the Board of Directors, officers or supervisors of the Company from time to time regarding Confidential Information. *"Confidential Information"* includes, but is not limited to, inventions (as defined in Section 3(b) below), trade secrets, confidential information, knowledge or data of the Company, or any of its clients, customers, consultants, shareholders, licensees, licensors, vendors or affiliates, that the Employee may produce, obtain or otherwise acquire or have access to during the course of his or her employment by the Company (whether before or after the date of this Agreement), including but not limited to: business plans, records, and affairs; customer files and lists; special customer matters; sales practices; methods and techniques; merchandising concepts, strategies and plans; sources of supply and vendors; special business relationships with vendors, agents, and brokers; promotional materials and information; financial matters; mergers; acquisitions; equipment, technologies and processes; selective personnel matters; inventions; developments; product specifications; procedures; pricing information; intellectual property; know-how; technical data; software programs; algorithms; operations and production costs; processes; designs; formulas; ideas; plans; devices; materials; and other similar matters which are confidential. All Confidential Information and all tangible materials containing Confidential Information are and shall remain the sole property of the Company. The Employee agrees that the Company is not obligated to pay any compensation for any of his obligations under this Section 1.

(b) Limitation. The Employee shall have no obligation under this Agreement to maintain in confidence any information (i) that is in the public domain at the time of disclosure, (ii) that used to be Confidential Information, but subsequently enters the public domain other than by breach of the Employee's obligations hereunder or by breach of another person's or entity's confidentiality obligations, or (iii) that is shown by documentary evidence to have been known by the Employee prior to disclosure to the Employee by the Company.

(c) Former Employer Information. The Employee agrees that he or she has not and will not, during the term of his or her employment, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity with which the Employee has an agreement or duty to keep in confidence information acquired by the Employee, if any, or (ii) bring onto the premises of the Company any document or confidential or proprietary information belonging to such employer, person or entity unless consented to in writing by such employer, person or entity. The Employee will indemnify the Company and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of suit, arising out of or in connection with any violation of the foregoing.

(d) Third Party Information. The Employee recognizes that the Company may have received, and in the future may receive, from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. The Employee agrees that the Employee owes the Company and such third parties, during the Employee's employment by the Company and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person or firm and to use it in a manner consistent with, and for the limited purposes permitted by, the Company's agreement with such third party.

(e) Conflicting Activities. While employed by the Company, the Employee will not work as an employee or consultant of any other organization or engage in any other activities which conflict with the obligations to the Company, without the express prior written approval of the Company.

2. Return of Confidential Material

In the event of the Employee's termination of employment with Company for any reason whatsoever, the Employee agrees promptly to surrender and deliver to Company all records, materials, equipment, drawings, documents and data of any nature pertaining to any Confidential Information or to his or her employment, and the Employee will not retain or take with him or her any tangible materials or electronically stored data, containing or pertaining to any Confidential Information that the Employee may produce, acquire or obtain access to during the course of his or her employment.

3. Inventions

(a) Inventions Retained and Licensed. The Employee has attached hereto, as Exhibit 1, a list describing all inventions, discoveries, ideas, original works of authorship, development, improvements, technical methods, know-how, and trade secrets which were made by the Employee prior to his employment with the Company (collectively referred to as "Prior Inventions"), which belong to the Employee, relate to the Company's proposed business, products or research and development, and are not assigned to the Company hereunder. Or if no such list is attached, the Employee represents that there are no such Prior Inventions. If in the course of the Employee's employment with the Company, the Employee incorporates into a Company product, process, or machine a Prior Invention owned by the Employee or in which the Employee has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to make, have made, modify, use and sell such Prior Invention as part of or in connection with such product, process, or machine.

(b) Assignment of Inventions. The Employee hereby acknowledges and agrees that the Company shall have a complete, absolute and exclusive right, title, and interest in and for any and all inventions, discoveries, ideas, designs, copyrightable works, original works of authorship, developments, improvements, concepts, technical methods, know-how, trade secrets, and other productions or items containing intellectual properties of any nature, whether or not patentable or otherwise registrable under the laws of any countries, and whether or not reduced to practice, made or conceived by the Employee, whether solely by the Employee or jointly with others, (a) during the period of the Employee's employment with the Company, (i) that relate in any manner to the actual or demonstrably anticipated business, work, or research and development of the Company, its affiliates or subsidiaries, or (ii) that are developed in whole or in part on the Company's time or using the Company's equipment, supplies, facilities or Confidential Information, or (iii) that result from or are suggested by any task assigned to the Employee or any work performed by the Employee for or on behalf of the Company, its affiliates or subsidiaries, or within the scope of the Employee's duties and responsibilities with the Company, its affiliates or subsidiaries, and (b) within three (3) year after termination of the Employee's employment with the Company that are related to any of the Employee's activities during the term of the Employee's employment with the Company (collectively referred to as "Inventions"). In the event that the Employee has any right or title to or interest in any Inventions, the Employee hereby assigns such right, title or interest to the Company. In the event that the Employee cannot assign any right or title to or interest in any Inventions to the Company, he/her hereby grants the Company an exclusive, royalty-free, assignable, irrevocable and worldwide license (including the right to sublicense through multilayered sublicensing) to exercise such right, title and interest that the Employee cannot assign to the Company. If the Employee can neither assign nor license to the Company any right, title or interest he/she may have to or in any Inventions, the Employee hereby irrevocably waives his right to assert and agrees that he/she will never assert any claims against the Company or any Company's successor with respect to such right, title or interest that the Employee can neither assign nor license to the Company. The Employee hereby waives any moral rights to which he/she may have to the Inventions.

(c) Disclosure of Inventions and Records. The Employee agrees that in connection with any Invention, (i) the Employee shall promptly disclose such Invention in writing to his immediate supervisor at the Company (which disclosure shall be received in confidence by the Company), with a copy to the Chief Executive Officer of the Company, regardless of whether the Employee believes the Invention is protected by the PRC Patent Law**,** the PRC Copyright Law or any other laws and regulations, in order to permit the Company to claim rights to which it may be entitled under this Agreement; and (ii) the Employee shall, at the Company's request, promptly execute a written assignment of the title in relation to any Invention to the Company, and the Employee will preserve any such Invention as Confidential Information of the Company. The Employee agrees to keep and maintain adequate and current written records of all Inventions and sign his name thereon during the term of his employment with the Company. The records will be in the form of notes, sketches, drawings, and any other format or manner, which may be specified by the Company from time to time. The records will be available to and remain the exclusive and sole property of the Company at all times.

(d) Patent and Copyright Registrations. The Employee agrees to assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in the Inventions and any copyright, patents, mask work rights or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Company shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to the Company, its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. The Employee further agrees that his obligation to execute or cause to be executed, when it is in his power to do so, any such instrument or papers shall continue after the termination of this Agreement. If the Company is pursuing any application for any PRC or foreign patents or copyright registrations covering Inventions or original works of authorship assigned to the Company as above, then the Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as his agent and attorney in fact, to act for and on the Employee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright registrations thereon with the same legal force and effect as if executed by the Employee.

(e) Reward, Remuneration and Other Rights. The Employee hereby agrees that the Company will reward him/her for his Inventions in accordance with the policies of the Company on rewards for employee inventions. The Company will pay reward to the Employee within three (3) months from the date of patent issue, of which the reward for an invention patent amounts to RMB3,000 and the rewards for a utility model patent or a design patent amounts to RMB1,000. The Company will pay one-time remuneration to the Employee within six (6) months from the date of patent issue, of which the remuneration for an invention patent or a utility model patent amounts to RMB3,000 and the remuneration for a design patent amounts to RMB1,000, unless otherwise agreed in writing by and between the Company and the Employee. The Employee understands that such reward, remuneration, as well as the salary and other compensation the Company pays in accordance with his Employment Contract with the Company constitute all the reward and remuneration the Employee is entitled to for the Inventions (including but not limited to the "reward" and "reasonable remuneration" set forth in Article 16 of the PRC Patent Law). The Employee hereby irrevocably waives any claim against the Company for any other reward or remuneration for any Inventions, regardless of whether the Company implements or licenses such Inventions or whether the Company makes any profit or receives any royalty payment or license fees from such Inventions. The Employee hereby also irrevocably waives any residual rights (including but not limited to the right of first refusal under the PRC Contract Law) to the Inventions that the Employee may have when the Company sells, transfers or otherwise disposes of the Inventions.

4. Noncompetition Obligation

In consideration of the receipt by the Employee of Confidential Information and that the work of the Employee involves commercial secrets of the Company, the Employee agrees to perform the obligations set forth in this Clause, which obligations the Employee recognizes are applicable to the Employee under the applicable laws and regulations (including without limitation the Employment contract Law of the People's Republic of China). The Employee agrees that during his employment with the Company, he/she will not engage directly or indirectly, whether as an employee, consultant, or in any other capacity, in any other business (including the Employee's own business), which involves the development, management, or sale of technologies or products that are the same as or similar to those developed, managed, or sold by the Company or in any other business that involves any services the same as or similar to those provided by the Company.

The Employee further agrees not to, in the capacity of employee, advisor or otherwise, directly or indirectly participate in the development, operation or sale of any technology or products or business (including his own business) identical or similar to the technology or products the Employee develops, operates or sells before leaving his office or be engaged in other services identical or similar to the services the Employee actually provides before leaving his office within two (2) years after the release or termination of the employment between the Employee and the Company (the "**Non-Compete Period**"). During the Non-Compete Period, the Employee shall continue to perform the non-compete obligations hereunder, and the Company agrees to pay compensations to the Employees on a monthly basis in an amount equal to thirty percent (30%) of the average monthly salary of the Employee in the twelve-month period immediately prior to the termination of his employment on the tenth (10th) day of the next calendar month. If the Employee has only been employed by the Company for less than a year, then the average monthly salary of the Employee shall be calculated by the actual length of his/her employment. The Company may withhold individual income tax for the Employee if required by the applicable laws and regulations. The Employee agrees that the compensation is sufficient and reasonable. Notwithstanding the foregoing, the Employee hereby agrees that the Company shall have the right to decide in its sole discretion to exempt the Employee from the non-compete obligations at any time and pay compensation for any elapsed non-compete period to the Employee as required by law, and the Company will not pay any additional consideration for such obligations for the remainder of the period. After termination of the employment but before the Company making the payment of the compensation, the Employee shall provide the Company with the letter of employment issued by the new employer (including the new employer's contact details and the statements of the social insurance payment) or the original copy of an valid un-employment certificate issued by the local labour and social insurance department which has jurisdiction over the Employee's registered domicile, valid postal address, telephone number and the bank account number of the Employee to receive the economic compensation. If the Employee changes his/her employer, the Employee shall provide the Company the supporting documentary evidence of the new employer. If the Employee fails to provide the aforesaid documents, the Company is entitled to suspend the payment of the economic compensation to the Employee without releasing the Employee's duty of non-competition.

5. Non-solicitation Obligation

The Employee agrees that during his employment with the Company and for three (3) years following termination of his employment for any reason, he or she will not either for the Employee himself/herself or for any other person or entity **(i)** directly or indirectly, or attempt to solicit, induce, recruit or encourage any of the Company's employees to leave their employment, or take away such employees; or (ii) directly or indirectly solicit the business of any client or customer of the Company (other than on behalf of the Company), or directly or indirectly induce or influence the client or customer of the Company for them to restrict or cancel the business relationship with the Company. The Employee hereby agrees that the Company is not obligated to pay additional consideration for this non-solicitation obligation.

6. Remedies for Violation

The Employee hereby acknowledges that the Employee's obligations set forth in this Agreement are reasonable and necessary to protect the legitimate interests of the Company. In the event that the Employee breaches the obligations of confidentiality and non-competition under this Agreement, the Employee agrees that he/she shall compensate the Company for any damages the Company suffers as a result of the Employee's breach. The Employee acknowledges that any violation of this Agreement will cause substantial and irreparable harm to the Company so that monetary damages alone would not be an adequate remedy for such violation. Therefore, if the Company reasonably believes that any actual or threatened breach of this Agreement has taken place or will take place, the Company is entitled to, in addition to any other remedies it may have, injunctive or any other equitable relief to enforce this Agreement.

7. Effectiveness of Agreement

In the event it is determined by a court of competent jurisdiction or a duly empanelled arbitral tribunal that any provision of this Agreement is unenforceable by reason of its extending for too great a period of time, over too large a geographic area, or over too great a range of activities, then such provision should be interpreted to extend over only the maximum period of time, geographic area, or range of activities as to which it may be enforceable.

8. Notification of New Employer

In the event that the Employee leaves the Company's employ, the Employee hereby agrees and promises that he/she will, and agrees that the Company can, notify the Employee's new employer of the Employee's rights and obligations under this Agreement.

9. Representations

The Employee agrees to execute any proper oath or verify any proper document required to carry out or evidence compliance with the terms of this Agreement. The Employee represents that his or her performance of all the terms of this Agreement, and as an employee of the Company, will not breach any agreement to keep in confidence proprietary information acquired by the Employee in confidence or in trust prior to the Employee's retention by the Company. The Employee has not entered into, and the Employee agrees that he or she will not enter into, any oral or written agreement in conflict with this Agreement.

10. Dispute Resolution

Any claim, controversy or dispute arising from the execution of, or in connection with, this Agreement shall be submitted to a competent People's Court in the place where the Company is formed, unless otherwise required by the applicable laws or regulations.

11. Governing Law

This Agreement will be governed by the laws of the PRC.

12. Entire Agreement

This Agreement sets forth the entire agreement and understanding between the Company and the Employee relating to the subject matter herein and merges all prior discussions and agreements between the parties with respect that subject matter. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the parties. Any subsequent change(s) in the Employee's duties, salary or compensation will not affect the validity or scope of this Agreement.

13. Severability

If one or more of the provisions in this Agreement are deemed void by law, then the remaining provisions will continue in full force and effect.

14. Successors and Assigns

This Agreement will be binding upon the Employee's heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successors, and its assigns. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

15. Counterparts

This Agreement may be signed in two counterparts, each of which shall be deemed an original and both of which shall together constitute one and the same instrument.

[Signatures page follows]

IN WITNESS WHEREOF, the Company and the Employee have caused this Agreement to be executed on the date first written above in two (2) originals.

(**Shanghai Basecamp Biotechnology Co., Ltd.**)

(Signature)： /s/ Raymond Stevens
(Name)： Raymond Stevens
(Title)： Legal Representative

(Signature)： /s/ Yingli Ma
(Name)： Yingli Ma

EXHIBIT 1

LIST OF PRIOR INVENTIONS AND ORIGINAL WORKS OF AUTHORSHIP

(Title)	(Date)	(Identifying Number or Brief Description)

Exhibit 10.12

December 10th, 2021

Daniel Welch
[***]
[***]

Dear Dan:

We are delighted that you have agreed to join the Board of Directors (the ***"Board"***) of ShouTi Inc. (the ***"Company"***) and to serve as the Chairman of the Board. This letter sets forth the agreement between you and the Company regarding your Board membership (the ***"Agreement"***):

1. Appointment as Board Member. Your service as a Board member will be effective as of the date the requisite Board and shareholder approvals of your appointment are obtained and will be subject to and in accordance with the applicable provisions of the laws of the Cayman Islands and the Company's Amended and Restated Memorandum and Articles of Association (as may be amended from time to time).

2. Appointment as Chairman of the Board. You will be appointed as the Chairman of the Board, which appointment will be effective as of the date of the Board resolutions appointing you to serve as the Chairman and for the period so long as you are appointed to serve as such capacity by the Board.

3. Compensation.

a. You will be paid a fixed fee of US$160,000 per fiscal year, as compensation for services performed as a member of the Board (the ***"Board Service Fee"***). The Board Service Fee shall be payable in equal quarterly installments, payable in arrears on the last day of each fiscal quarter in which the service occurred (beginning with the fiscal quarter during which your Board service commences), and prorated for any partial quarters served. As additional consideration for services performed as the Chairman of the Board, you will be eligible for a separate fee of up to US$64,000 per fiscal year (the ***"Board Chair Service Fee"***). Whether you receive a Board Chair Service Fee for any given fiscal year, and the amount of any such Board Chair Service Fee, will be determined in the sole discretion of the Board (or the Compensation Committee of the Board), which determination will be based upon the Company's and the Board's objectives and milestones as established by the Board. The Board Chair Service Fee, if any, will be a lump sum payment paid to you promptly after the Board (or the Compensation Committee of the Board) determines the amount of such Board Chair Service Fee following the end of the fiscal year to which such fee is applicable, and you must remain the Chair of the Board on the date the Board Chair Service Fee is paid in order to be eligible for such fee. Both the Board Service Fee and the Board Chair Service Fee shall be subject to review from time to time at the discretion of the Board, including in connection with the Company's preparation for its initial public offering.

b. In addition, subject to approval by the Board, you will be granted an initial nonstatutory option to purchase 1,179,122 ordinary shares of the Company (the ***"Option"***). The Option will be governed by a separate option agreement and the Amended and Restated ShouTi Inc. 2019 Equity Incentive Plan, as may be amended (the ***"Plan"***). The exercise price per share will be equal to the fair market value per share of the Company's ordinary shares on the grant date of the Option, as determined by the Board. As more fully set forth in your option agreement and the Plan, one-third (1/3rd) of the ordinary shares subject to the Option will vest one (1) year after the vesting commencement date, with the balance of the ordinary shares subject to such Option vesting in a series of twenty-four (24) successive equal monthly installments subject to your continued service to the Company.

4. Confidentiality.

a. In your capacity as a director of the Company and/or a member of any committee of the Board (if applicable), you will be expected not to use or disclose any confidential information, including, but not limited to, trade secrets of any current and/or former employer or other person or entity to whom you have an obligation of confidentiality. Rather, you will be expected to use only information that is generally known and used by persons with training and experience comparable to your own, that is common knowledge in the industry or otherwise legally in the public domain, or that is otherwise provided or developed by the Company.

b. In addition, during the term of your services as a director and/or a member of any committee of the Board (if applicable) and after termination of such services, you will not disclose any Company confidential proprietary information, or any information of a third party provided to you by the Company, which includes but is not limited to, all non-public tangible and intangible manifestations regarding patents, copyrights, trademarks, trade secrets, technology, inventions, works of authorship, business plans, data or any other confidential knowledge without the prior written consent of the Company.

5. Miscellaneous. Each payment to you pursuant to this Agreement shall be subject to withholding of any applicable taxes required to be withheld from such payment. This Agreement, and all disputes arising under or related to it, shall be governed by the substantive law of the State of California. This Agreement, and the rights and obligations of you and the Company hereunder, shall inure to the benefit of and shall be binding upon, you, your heirs and representatives, and upon the Company and the Company's successors and assigns. This Agreement may not be assigned. Any assignment in contravention of this Section shall be null and void. In the event that any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior and contemporaneous conflicting agreements, promises, covenants, arrangements, understandings, communications, representations or warranties, whether oral or written, by any party hereto (or representative of either party hereto). No provision of this Agreement may be modified, amended, waived or discharged unless such waiver, modification, amendment or discharge is agreed to in writing and signed by you and a duly authorized disinterested member of the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6. **Termination.** This Agreement shall automatically terminate upon the earlier of (i) immediately before the consummation of the Company's initial public offering (in which case we expect non-employee Board compensation to be set forth in a separate compensation policy consistent with publicly-traded companies and commensurate with the services provided by the Board member), or (ii) three (3) years after your commencement of service as a member of the Board; provided, however, that the termination of this Agreement shall not terminate your service as a member of the Board which service shall terminate or expire in accordance with the applicable provisions of the laws of the Cayman Islands and the Company's Amended and Restated Memorandum and Articles of Association (as may be amended from time to time).

If the foregoing correctly conforms to your understanding of the agreement between you and the Company, please sign and date the enclosed copy of this letter and return it to us.

Very truly yours,

ShouTi Inc.

/s/ Raymond Stevens
Raymond Stevens, Ph.D.
Chief Executive Officer

Accepted and agreed:

/s/ Daniel Welch
Daniel Welch

Date: 12/10/2021

Exhibit 10.14

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

COLLABORATION AGREEMENT

This Collaboration Agreement (the "***Agreement***") is effective as of October 9, 2020 (the "***Effective Date***") by and between **Schrödinger, LLC**, a Delaware limited liability company, having an address of 120 West 45th Street, 17th Floor, New York, New York 10036 ("***Schrödinger***"), and **Lhotse Bio, Inc.**, a Delaware corporation having an address of 611 Gateway Blvd Suite 223, South San Francisco, CA 94080 ("***Lhotse***"). Each of Schrödinger and Lhotse may hereinafter be referred to as a "party" to this Agreement or collectively as the "parties".

Whereas, ShouTi Inc., a Delaware corporation and an affiliate of Lhotse ("ShouTi"), and Schrödinger are parties to that certain letter agreement dated October 5, 2019 by and among ShouTi, Schrödinger, Annapurna Bio, Inc. and Gasherbrum Bio, Inc. (the "***2019 Letter Agreement***") concerning, among other things, a drug discovery collaboration aimed at discovering and developing novel, orally bioavailable, small molecule inhibitors of Lysophosphatidic acid receptor 1 (the "***Target***"), in anticipation of the entry of this Agreement upon formation of Lhotse;

Whereas, concurrently with the execution and delivery of this Agreement, ShouTi, Lhotse and Schrödinger are entering into an Assignment and Assumption Agreement, under which ShouTi assigns to Lhotse, and Lhotse assumes from ShouTi, all ShouTi's rights and obligations under the 2019 Letter Agreement; and

Whereas, Lhotse and Schrödinger desire to enter into a drug discovery collaboration aimed at discovering and developing novel, orally bioavailable, small molecule inhibitors of the Target, on the terms and subject to the conditions set forth herein.

Now, Therefore, in consideration of the foregoing premises and the mutual covenants contained herein, the parties agree as follows:

1. Definitions

1.1 "**Affiliate**" shall mean any company or entity that directly or indirectly, through one or more intermediaries, is controlled by, controlling, or under common control with a party hereto. The term "control", for purposes of this definition, means the ownership of more than fifty percent (50%) of the equity (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction) entitled to vote regarding composition of the board of directors or other body entitled to direct the affairs of a party or the power to direct or cause the direction of the management and policies of a party, whether through the ownership of voting securities, by contract or otherwise, and "controlled by" and "under common control with" shall have correlative meanings. For clarity, as of the Effective Date, Schrödinger, Inc. is an Affiliate of Schrödinger, LLC.

1.2 "**Collaboration Invention**" shall have the meaning provided in Section 3.1.

1.3 "**Collaboration Compound**" shall mean (a) any chemical compound identified, generated, developed or discovered by Schrödinger or its Affiliates on behalf of Lhotse, either solely or jointly with Lhotse, during the Term in accordance with the Work Plan and the terms of this Agreement, and (b) all salts, hydrates, solvates, esters, metabolites, intermediates, stereoisomers, polymorphs, and any derivatives or modifications of any of the compound set forth in the foregoing clause (a), in each case of (a) and (b) that are directed to and inhibit the Target as its mechanism of action.

1.4 "**Collaboration Product**" shall mean any pharmaceutical product that contains a Collaboration Compound as an active ingredient, alone or in combination with one or more other active ingredients, in any formulations, dosage forms, strengths and delivery modes.

1.5 "**Confidential Information**" shall mean the terms of this Agreement and any confidential or proprietary information of a party or its Affiliates, including, without limitation, information related to Collaboration Inventions or Results, and any other information relating to any techniques, technology, practices, trade secrets, inventions (whether or not patentable), methods, knowledge, know-how, skill, experience, test data, results (including pharmacological, toxicological and clinical test data and results), analytical and quality control data, results or descriptions, software, technology, compounds, compositions of matter, cells, cell lines, assays and physical, biological or chemical material, whether in oral, written, graphic or electronic form; in each case which is disclosed or furnished to the other party.

1.6 "**Control**" shall mean a party's possession of the ability to grant the other party hereto a license, sublicense or other access to such party's Intellectual Property in accordance with the terms of this Agreement, without such party being obligated to pay any additional fees (unless the party in the position of being a potential sublicensee of such Intellectual Property is willing to pay such additional fees) to or violating the terms of any agreement or other contractual arrangement it has with any Third Party as a result thereof.

1.7 "**DC Milestone**" shall mean the initiation of GLP toxicology studies with respect to the relevant compound by Lhotse (or any of its Affiliates), any of Lhotse's (or any of its Affiliates') collaboration partners or any Third Party performing services on behalf of Lhotse (or any of its Affiliates).

1.8 "**FDA**" shall mean the U.S. Food and Drug Administration and its successor.

1.9 "**Fully Diluted**" shall have the meaning provided in Section 2.2.

1.10 "**GLP**" shall mean, with respect to a particular activity or non-clinical study conducted by or on behalf of a party, that such activity or non-clinical study was conducted in accordance with "good laboratory practices" as set forth in 21 C.F.R. Part 58, the United States Animal Welfare Act, the International Conference on Harmonization's ("**ICH**") Guideline on Nonclinical Safety Studies for the Conduct of Human Clinical Trials for Pharmaceuticals or the ICH Guideline on Safety Pharmacology Studies for Human Pharmaceuticals.

1.11 "**Indemnifying Party**" shall have the meaning provided in Section 7.2.

1.12 "**Initiation**" of a clinical trial shall mean the dosing for the first human patient enrolled in such clinical trial.

1.13 "**Intellectual Property**" shall mean all rights in any intellectual property or industrial property now known or hereafter recognized anywhere in the world, including the following: (i) patents, Collaboration Inventions (whether or not patentable), and all applications or registrations in any jurisdiction pertaining to the foregoing, including all provisional applications, reissues, continuations, divisions, continuations-in-part, utility models, renewals or extensions thereof; (ii) trade secrets, including confidential and other non-public information with respect to business or scientific activities, and the right in any jurisdiction to limit the use or disclosure thereof; (iii) copyrights or similar rights in writings, designs, mask works, or other works of authorship, and registrations or applications for registrations of copyrights in any jurisdiction; (iv) trademarks and service marks (registered or unregistered), trade dress, trade names, and other names and slogans embodying business or product goodwill or indications of origin, and all applications or registrations in any jurisdiction pertaining to the foregoing; and all goodwill associated therewith; and (v) Internet Web sites, domain names and registrations or applications for registration thereof. Examples of property that typically embody Intellectual Property include, without limitation, software programs (in source and object code forms), algorithms, methods, computer-generated models based on the analysis of structure-activity relationships, and proprietary databases.

1.14 "**JSC**" shall have the meaning provided in Section 2.3(a).

1.15 "**Lhotse Indemnified Party**" shall have the meaning provided in Section 7.1.

1.16 "**Lhotse Background Intellectual Property**" shall mean Intellectual Property possessed, owned or Controlled by Lhotse prior to or independent of this Agreement. For clarity, the Lhotse Background Intellectual Property excludes Schrödinger Intellectual Property and Schrödinger Improvements (defined in Section 3.1(d) below).

1.17 "**Liabilities**" shall have the meaning provided in Section 7.1.

1.18 "**Materials**" shall have the meaning provided in Section 2.8.

1.19 "**Net Sales**" shall mean the gross amount received by Lhotse, its Affiliates, licensees or sublicensees for sale of the Collaboration Product to independent Third Parties during each calendar quarter less the following amounts incurred or paid by the selling party with respect to the sale of the Collaboration Product: (a) [***]; (b) [***]; (c) [***]; (d) [***]; (e) [***].

If a Collaboration Product is sold in a country or region in combination with another active pharmaceutical ingredient or component that is not a Collaboration Compound, then Net Sales, for the purposes of determining royalty payments on the combination, shall be calculated using one of the following alternative methods:

(x) by [***], during the relevant reporting period, of the Collaboration Product that contains the Collaboration Compound as its only active ingredient when sold separately in such country or region, and [***], during the relevant reporting period, of the other active ingredients or components in the combination when sold separately in such country or region; or

(y) if no such separate sales in such country or region are made of the Collaboration Product that contains the Collaboration Compound as its only active ingredient or any of the other active ingredients or components in such combination during the relevant reporting period, Net Sales, for the purposes of determining royalty payments on the combination, shall be calculated using the above formula (i.e., [***]) where [***] of the Collaboration Product that contains the Collaboration Compound as its only active ingredient when sold separately in such country or region, and [***] of the other active ingredients or components in the combination when sold separately in such country or region, as reasonably estimated by the selling party.

1.20 "**NDA**" shall mean a New Drug Application, as defined in the U.S. Food, Drug and Cosmetic Act and applicable regulations promulgated thereunder by the FDA.

1.21 "**Non-Disclosure Agreement**" shall have the meaning provided in Section 5.1.

1.22 "**Phase 2 Clinical Trial**" shall mean a study of a pharmaceutical product in human patients to determine initial efficacy and dose range and/or regimen finding before embarking on Phase 3 Clinical Trials, as further defined in 21 C.F.R. 312.21(b), as amended from time to time, or the corresponding foreign regulations.

1.23 "**Phase 3 Clinical Trial**" shall mean a pivotal study of a pharmaceutical product in human patients with a defined dose (or a set of defined doses) designed to ascertain efficacy and safety of such product for the purpose of enabling the preparation and submission of NDA to the FDA or corresponding foreign regulatory authorities, as further defined in 21 C.F.R. 312.21(c), as amended from time to time, or the corresponding foreign regulations

1.24 "**Program**" shall have the meaning provided in Section 2.1.

1.25 "**Quarter**" shall have the meaning provided in Section 2.8.

1.26 "**Results**" shall have the meaning provided in Section 2.5.

1.27 "**Royalty Term**" shall have the meaning provided in Section 2.10(b).

1.28 "**Schrödinger Indemnified Party**" shall have the meaning provided in Section 7.2.

1.29 "**Schrödinger Intellectual Property**" shall mean the Intellectual Property embodied in the Schrödinger Technology, Schrödinger Knowhow and Schrödinger Library.

1.30 "**Schrödinger Knowhow**" shall mean the proprietary techniques, methods, workflows and knowhow of Schrödinger and its licensors that are employed by Schrödinger to perform its services under the Program or that are necessary or reasonably useful for Lhotse to conduct the activities assigned to Lhotse under the Program.

1.31 "**Schrödinger Library**" shall mean the compilation prepared by Schrödinger of lead- and drug-like compounds that are offered commercially by Third Party suppliers.

1.32 "**Schrödinger Technology**" shall mean the proprietary software, programs, tools and technology possessed, owned or Controlled by Schrödinger.

1.33 "**Term**" shall have the meaning provided in Section 6.1.

1.34 "**Third Party**" shall mean any entity other than Schrödinger or Lhotse or their respective Affiliates.

1.35 "**Work Plan**" shall mean the written plan for the activities to be conducted by the parties hereunder. The initial Work Plan has been agreed upon in writing by the parties as of the Effective Date and is attached hereto as **Exhibit A**. Any amendments or revisions to the Work Plan shall be mutually agreed upon by the parties in writing.

1.36 "**Valid Claim**" shall mean a claim of (a) any issued and unexpired patent that has not been held unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and has not been admitted to be invalid or unenforceable through abandonment, reissue, disclaimer or otherwise; or (b) any pending patent application that has not been pending for more than [***] ([***])[***] from its earliest priority date.

1.37 "**Work Product**" shall mean the tangible work product delivered by Schrödinger to Lhotse in connection with Schrödinger's performance of its obligations under the Work Plan. The "Work Product" excludes the Schrödinger Intellectual Property and Schrödinger Improvements.

2. Conduct of the Collaboration

2.1 Collaboration. During the Term (defined in Section 6.1 below) of this Agreement, the parties agree to conduct a collaborative drug discovery project aimed at discovering and developing novel and orally available small molecule inhibitors of the Target (the "***Program***") in accordance with the Work Plan and the terms of this Agreement. Generally, Schrödinger agrees to provide computational modeling and design support, and Lhotse agrees to provide day-to-day chemistry and biology support. Lhotse acknowledges and agrees that Schrödinger's ability to perform its obligations depends upon Lhotse's fulfillment of its obligations as set forth in this Agreement, including reasonably cooperating with Schrödinger and providing Schrödinger with accurate information and data in a reasonable and timely manner during the collaboration. Schrödinger will not be responsible for any deficiency or delay in performing its obligations as set forth in this Agreement to the extent such deficiency or delay results from Lhotse's failure to fulfill its obligations as set forth in this Agreement. Notwithstanding the foregoing, the parties acknowledge the experimental nature of the collaboration, and neither party shall have any liability to the other with respect to such party's failure to produce a specific substantive result.

2.2 Assignment. Reserved.

2.3 Joint Steering Committee; Technical Leads.

(a) Within [***] ([***]) [***] after the Effective Date, the parties shall form a joint steering committee (the "***JSC***"), which shall be responsible for the general oversight of the research carried out hereunder, including without limitation: (i) reviewing the goals, strategy, milestone events, Results of the Work Plan (set forth in **Exhibit A**) and the activities performed thereunder, (ii) recommending and approving changes to the Work Plan; (iii) assigning relative priorities in the Work Plan; (iv) terminating any specific activities under the Work Plan; (v) determining whether the events constituting the DC Milestone have occurred; (vi) whether to continue pursuing the Program with respect to the Target; and (vii) resolving any disagreements between the parties concerning the research and development activities carried out under this Agreement. Each party shall designate [***], [***] of whom shall be authorized to make decisions on behalf of the designating party and shall have significant experience and expertise in the research and development of pharmaceutical compounds. Each party shall have the right, at any time, to designate by written notice to the other party, a replacement for any of such party's [***] on the JSC. The JSC shall endeavor to work by consensus. Decisions of the JSC shall be made in writing and be included in an amendment to the Work Plan. Where consensus cannot be reached or unanimity is not achieved, the disputed matter shall be referred to the relevant senior management of the Parties who shall promptly meet and endeavor to come to an agreement in a timely manner. The JSC will notify the relevant senior management of the parties in writing that a milestone event has occurred no later than [***] ([***]) [***] after making such a determination, which determination shall be made by the JSC as soon as possible after the occurrence of such event. The JSC shall meet at such times as the members deem appropriate to perform the duties of the JSC.

(b) Technical Leads: Lhotse's technical lead will be [***], who will facilitate communications between the parties in the course of the activities contemplated by this Article 2. Schrödinger shall also assign a technical lead for the collaboration. The Technical Leads shall meet in person or by teleconference or videoconference at least quarterly to discuss technical aspects of the activities contemplated by this Agreement. For clarity, a technical lead may also serve on the JSC.

2.4 Performance Standards. Each party shall perform the activities specifically assigned to it under the Work Plan at its sole cost and expense. Each party shall conduct its activities under the Work Plan in good scientific manner, and in compliance in all material respects with the requirements of applicable laws and regulations, to attempt to achieve its objectives efficiently and expeditiously. Each party shall contribute such personnel and resources as are reasonably necessary to carry out the activities to be performed by such party pursuant to the Work Plan. In conformity with standard pharmaceutical and biotechnology industry practices and the terms and conditions of this Agreement, each party shall prepare and maintain, or shall cause to be prepared and maintained, complete and accurate written records, accounts, notes, reports and data with respect to activities conducted pursuant to the Work Plan.

2.5 Results. Each party shall keep the other party fully informed as to (a) all discoveries and technical developments (including, without limitation, any Collaboration Inventions) and (b) any and all information, data and results that, with respect to all of the items specified in (a) and (b), relate to the Target and/or any small molecule compound directed thereto made or obtained from conducting the Program activities assigned to it under the Work Plan (collectively, the "***Results***") which disclosure shall include, without limitation, copies of relevant summaries and reports including a report of the Virtual Screen Results as defined in Section 3.1 below. Nothing herein shall require either party to disclose information received from a Third Party that remains subject to *bona fide* confidentiality obligations. All information and reports disclosed hereunder shall be subject to Articles 3 and 5.

2.6 Exclusivity. During the Term of this Agreement, or, if longer, during any period not to exceed [***] ([***]) [***] from the date of achievement of the DC Milestone in which any relevant compound having activity against the Target and identified in connection with services performed by Schrödinger under the Program is in "active development" by Lhotse, Target Exclusivity (defined below) shall apply. For purposes of this Section 2.6, a compound shall cease to be in "active development" if it is not the subject of pre-clinical and/or clinical drug development activities by Lhotse for a consecutive period of [***] ([***]) [***]. "***Target Exclusivity***" means Schrödinger shall not design, research, develop, or commercialize compounds or conduct virtual screens of compounds that directly and primarily inhibit the Target, whether on its or its' Affiliates' own behalf or on behalf of any Third Party. For clarity, the foregoing exclusivity obligation shall not apply to the following services and activities: (a) [***], (b) [***], (c) [***], (d) [***] (e) and (f) [***].

2.7 Materials Transfer. In order to facilitate the Program and provided the receiving party has consented, either party may provide to the other party certain biological materials or chemical compounds including, but not limited to, the Target, ligands known to interact with the Target, protein crystals relating to the Target and reagents (collectively, "***Materials***") Controlled by the supplying party (other than under this Agreement) for use by the other party in furtherance of the Program. Except as expressly provided under this Agreement, all such Materials delivered to the other party will remain the sole property of the supplying party, will be used only in furtherance of the Program and solely under the control of the other party, will not be used or delivered to or for the benefit of any Third Party without the prior written consent of the supplying party, and will not be used in research or testing involving human subjects except as permitted by applicable law. The Materials, if any, supplied under this Section 2.7 must be used with prudence and appropriate caution in any experimental work, because not all of their characteristics may be known.

2.8 Active Program Payments. Lhotse shall notify Schrödinger in writing by the last day of each three (3) consecutive month period ("***Quarter***") beginning September 1, 2020 as to whether Schrödinger should continue performing under the Work Plan during the following Quarter, subject to agreement by Schrödinger, and shall make a payment of [***] ("***Active Program Payment***") to Schrödinger as full consideration for such performance. Such payment shall be due and payable in advance as of the last day of the Quarter. The parties agree and acknowledge that such notice was deemed to have been given by Lhotse and agreed upon by Schrödinger as of August 31, 2020 for the Quarter beginning September 1, 2020 such that an Active Program Payment is due and payable. If Lhotse fails to provide such notice or make such payment, Schrödinger may cease performing services under this Agreement without any liability or further obligation whatsoever to Lhotse or any Affiliate of Lhotse resulting from such cessation of services.

2.9 Milestone Payments. Lhotse shall pay to Schrödinger the following milestone payments upon the first achievement of the corresponding milestone event set forth in the table below for any Collaboration Product. Lhotse shall promptly notify Schrödinger upon the first achievement of any milestone event set forth in this Section 2.9 and shall pay to Schrödinger the corresponding milestone payment within [***] ([***]) [***] after the first achievement of such milestone event. Each milestone payment set forth herein shall be due and payable only once, regardless of how many times such milestone event is achieved and/or the number of Collaboration Products that achieve such milestone event. The aggregate milestone payments under this Section 2.9(a) shall not exceed seventeen million dollars (US$17,000,000).

Milestone Events for the Collaboration Product	Milestone Payment
1) [***]	[***]
2) [***]	[***]
3) [***]	[***]
4) [***]	[***]
Total	**$17,000,000**

2.10 Royalty Payments.

(a) In addition, Lhotse shall make [***] royalty payments to Schrödinger on the worldwide Net Sales of each Collaboration Product, as calculated by multiplying the applicable royalty rate set forth in the table below by the corresponding amount of annual worldwide Net Sales of each Collaboration Product in the applicable calendar year.

For that portion of annual worldwide Net Sale of each Collaboration Product		Royalty Rate
1) less than or equal to	[***]	[***]
2) greater than but less than or equal to	[***]	[***]
3) greater than	[***]	[***]

(b) Royalty Term. Lhotse's obligation to pay royalties pursuant to this Section 2.10 shall continue, on a Collaboration Product-by-Collaboration Product and country-by-country basis, until the later of (i) the expiration of the last-to-expire Valid Claim of any patent owned by Lhotse that covers the composition of matter of the Collaboration Compound contained in such Collaboration Product in such country and (ii) expiration of any applicable regulatory, pediatric, orphan drug or data exclusivity with respect to such Collaboration Product and (iii) or [***] ([***]) [***] after the first commercial sale of such Collaboration Product in such country (the "**Royalty Term**").

(c) Royalty Conditions. The royalties under this Section 2.10 shall be subject to the following conditions:

(i) only one (1) royalty shall be due with respect to each unit of Collaboration Product, without regard to whether there is more than one Valid Claim covering such Collaboration Product;

(ii) no royalties shall be due upon the sale or transfer of the Collaboration Product among Lhotse, its Affiliates, licensees and sublicensees, but in such cases the royalty shall be due and calculated upon Lhotse's, its Affiliate's, licensee's or sublicensee's Net Sales of Collaboration Product to any independent Third Party;

(iii) the Net Sales of the Collaboration Product sold in a country after the expiration of the Royalty Term for such Collaboration Product in such country shall not be included in the calculation of worldwide annual Net Sales to determine the applicable royalty tiers.

(d) Royalty Reductions.

(i) If a Collaboration Product is sold in a country during the applicable Royalty Term at a time when there is a generic equivalent (i.e. the same composition of matter as the Collaboration Product) also being sold in such country, then the royalty rate applicable to the Net Sales of such Collaboration Product in such country during such time shall be reduced by [***] ([***]) of the average royalty rate otherwise applicable to the Net Sales for such Collaboration Product under Section 2.10(a); provided, however, that the average royalty rate after such reduction shall not be less than [***] ([***]).

(ii) If Lhotse, its Affiliate, licensees or sublicensee obtains a license to any patent or know-how owned or controlled by a Third Party in order to develop, manufacture or commercialize the Collaboration Product, then Lhotse shall have the right to deduct, from the royalty payment that would otherwise have been due pursuant to this Section 2.10, an amount equal to [***] ([***]) of the amount paid by Lhotse, its Affiliate, licensee or sublicensee to such Third Party pursuant to such license; provided, however, that the deduction taken under of this Section 2.10(d)(ii) shall not exceed [***] ([***]) of the royalties that would otherwise due [***] and that the average royalty rate after such deduction shall not be less than [***]%.

(e) Royalty Report and Payment. Within [***] ([***]) [***] after the end of [***], commencing with the first commercial sale of any Collaboration Product anywhere in the world, Lhotse shall provide Schrödinger with a royalty report that contains the following information for the applicable [***], on a Collaboration Product-by-Collaboration Product and country-by-country basis: (i) the amount of gross sales of the Collaboration Product, (ii) a calculation of Net Sales of the Collaboration Product, (iii) a calculation of the royalty payment due on such Net Sales, and (iv) the exchange rate for such country. Concurrent with the delivery of the applicable [***] report, Lhotse shall pay Schrödinger within the royalties owed with respect to the Net Sales of the Collaboration Product for such [***].

2.11 Currency; Exchange Rate. All payments to be made by Lhotse to Schrödinger under this Agreement shall be made in US dollars by bank wire transfer in immediately available funds to a bank account designated by written notice from Schrödinger. The rate of exchange to be used in computing the amount of currency equivalent in US dollars shall be made at the average of the closing exchange rates reported in The Wall Street Journal (U.S., Eastern Edition) for the first, middle and last business days of the applicable reporting period for the payment due.

2.12 Blocked Currency. If the conversion of a local currency in a country into US dollars or transfer of funds out of a country becomes materially restricted, forbidden or substantially delayed due to applicable laws, then Lhotse shall promptly notify Schrödinger and amounts accrued in such country may be paid by Lhotse in local currency into an account in a local bank designated by Schrödinger, unless the Parties otherwise agree.

2.13 Taxes.

(a) Taxes on Income. Each Party shall be solely responsible for the payment of all taxes imposed on its share of income arising directly or indirectly from the activities of the Parties under this Agreement. For clarity, all payment amounts set forth herein are on a pre-tax basis.

(b) Tax Cooperation. The Parties agree to cooperate with one another and use reasonable efforts to avoid or reduce tax withholding or similar obligations in respect of milestone, royalty and other payments made under this Agreement. To the extent Lhotse is required to deduct and withhold taxes on any payment to Schrödinger, Lhotse shall deduct those taxes from the remittable payment, pay the taxes to the proper tax authority in a timely manner, and promptly send proof of payment to Schrödinger. Schrödinger shall provide Lhotse any tax forms that may be reasonably necessary in order for Lhotse to not withhold tax or to withhold tax at a reduced rate under an applicable bilateral income tax treaty. Schrödinger shall use reasonable efforts to provide any such tax forms to Lhotse in advance of the due date. At the request and expense of Schrödinger, Lhotse shall provide reasonable assistance to enable the recovery, to the extent permitted by applicable law, of withholding taxes or similar obligations resulting from payments made under this Agreement.

2.14 Financial Records and Audit. Lhotse shall maintain complete and accurate records in sufficient detail to permit Schrödinger to confirm the accuracy of Net Sales reported by Lhotse under this Agreement. Upon at least [***] ([***]) [***] prior notice, such records shall be open for examination, during regular business hours, for a period of [***] ([***]) [***] from the creation of individual records, and not more often than [***], by an independent certified public accountant selected by Schrödinger and reasonably acceptable to Lhotse, for the sole purpose of verifying for Schrödinger the accuracy of the financial reports provided by Lhotse under this Agreement. Schrödinger shall bear the cost of such audit unless such audit reveals an underpayment by Lhotse of more than [***] ([***]) of the amount actually due for the time period being audited, in which case Lhotse shall reimburse Schrödinger for the costs of such audit. Lhotse shall pay to Schrödinger any underpayment discovered by such audit within [***] ([***]) [***] after the accountant's report. If the audit reveals an overpayment by Lhotse, then Lhotse may take a credit for such overpayment against any future payments due to Schrödinger (if there will be no future payment due, then Schrödinger shall promptly refund such amount to Lhotse).

3. Intellectual Property

3.1 Ownership of Collaboration Inventions, Virtual Screen Results and Work Product Generally.

(a) Each party shall promptly notify the other party in writing and in reasonable detail of all inventions and discoveries, whether patentable or not, that constitute composition of matter or method of use or manufacture Intellectual Property (*i.e.*, compounds and/or compound classes designed *in silico* or otherwise), including any improvement, modification or enhancement of any of the foregoing, directed to the Target that are conceived of or developed by the parties or on behalf of the parties in the course of conducting the activities under the Work Plan, whether developed solely by Lhotse or Schrödinger or jointly, and regardless of whether actually reduced to practice during the Term (each a "***Collaboration Invention***"). Lhotse shall solely own any Collaboration Invention regardless of inventorship. The inventorship of any Collaboration Invention shall be determined in accordance with United States patent law. For the avoidance of doubt, Collaboration Inventions do not include any Schrödinger Improvements.

(b) "***Virtual Screen Results***" are herein defined as the information and data generated by Schrödinger in the course of using the Schrödinger Technology to perform virtual screens for Lhotse with respect to the Target, indicating that one or more commercially available compounds is predicted to have activity against such Target. For clarity, Virtual Screen Results do not include any of the commercially available compounds or structures, including any compounds or structures which are included in the Schrödinger Library, or any Schrödinger Technology which are used to generate or are otherwise referenced in such information or data. As between the parties all Intellectual Property associated with Virtual Screen Results shall be solely owned by Lhotse. Notwithstanding the foregoing or anything in this Agreement to the contrary, after Schrödinger's exclusivity obligations with respect to the Target under Section 2.6 have concluded and/or if the JSC decides not to pursue the Program with respect to the Target, Schrödinger is and shall be permitted to perform virtual screens (and improve, modify or enhance such screens) with respect to the Target (either internally for its own benefit or with or for the benefit of one or more Third Parties) using the same compound library to perform such virtual screens as it previously used to generate the Virtual Screen Results in respect of the Target for Lhotse and, consequently, to generate the same or similar results as it previously generated for Lhotse hereunder, provided that in doing so, Schrödinger shall not (either internally for its own benefit or with or for the benefit of any Third Party) use, share, reference or disclose any Lhotse Confidential Information, including the fact that it generated the same or similar Virtual Screen Results for Lhotse in respect of such Target.

(c) Except for the licenses granted pursuant to Section 3.4, each party to this Agreement shall retain all right, title, and interest (collectively, "***Rights***") in any Intellectual Property that was owned by such party prior to the Effective Date or developed independently of this Agreement.

(d) As between Lhotse and Schrödinger, Lhotse does and shall own (i) all Rights in the Confidential Information disclosed by Lhotse to Schrödinger hereunder, the Lhotse Background Intellectual Property, Collaboration Inventions, Virtual Screen Results (subject to Section 3.1(b) above) and Work Product and (ii) all Rights in any improvement, modification, or enhancement of any of the foregoing made by either party or by their or their respective Affiliates' employees, agents or consultants (collectively with the Intellectual Property embodied therein, the "**Lhotse Improvements**"). As between Schrödinger and Lhotse, Schrödinger does and shall own (i) all Rights in the Confidential Information disclosed by Schrödinger to Lhotse hereunder and the Schrödinger Intellectual Property, and (ii) all Rights in any improvement, modification, or enhancement of any of the foregoing made by either party or their or their respective Affiliates' employees, agents or consultants (collectively with the Intellectual Property embodied therein, the "**Schrödinger Improvements**").

(e) Schrödinger hereby assigns and transfers, and to the extent that it cannot presently assign or transfer, shall assign and transfer, to Lhotse all of its Rights in and to any Collaboration Inventions, Virtual Screen Results (subject to Section 3.1(b) above), Work Product and Lhotse Improvements, and agrees to take, and to cause its employees, agents and consultants to take, all further acts reasonably required to evidence such assignment and transfer to Lhotse. Schrödinger hereby appoints Lhotse as its attorney-in-fact to sign such documents as Lhotse deems necessary for Lhotse to effect the transfer of ownership of the Intellectual Property referenced in this clause (e) belonging to Lhotse if Lhotse is unable, after reasonable inquiry, to obtain Schrödinger's (or its employee's or agent's) signature on such a document. All Collaboration Inventions, Virtual Screen Results, Work Product and Lhotse Improvements shall be deemed Confidential Information of Lhotse and Schrödinger shall be deemed the receiving party of such information.

(f) Lhotse hereby assigns and transfers, and to the extent that it cannot presently assign or transfer, shall assign and transfer and, as applicable, shall cause its Affiliates to assign and transfer, to Schrödinger all of its and, as applicable, its Affiliates', Rights in and to any Schrödinger Improvements, and agrees to take, and to cause its and its Affiliates' employees, agents and consultants, as applicable, to take, all further acts reasonably required to evidence such assignment and transfer to Schrödinger. Lhotse hereby appoints Schrödinger as its attorney-in-fact to sign such documents as Schrödinger deems necessary for Schrödinger to effect the transfer of ownership of the Intellectual Property referenced in this clause (f) belonging to Schrödinger if Schrödinger is unable, after reasonable inquiry, to obtain Lhotse's (or its or its Affiliates' employee's or agent's) signature on such a document. All Schrödinger Improvements shall be deemed Confidential Information of Schrödinger and Lhotse shall be deemed the receiving party of such information.

3.2 Patent Prosecution and Maintenance. Each party shall be responsible, in its sole discretion and at its sole cost, for the filing, prosecution, maintenance and enforcement of patent rights, copyrights and other proprietary rights claiming or directed to inventions owned solely by such party, if any. With respect to any Collaboration Invention, Lhotse shall be responsible for preparing, filing and prosecuting any patent applications or other appropriate filings and maintaining any patents, copyrights or other similar rights issued thereon.

3.3 Cooperation. Each party shall provide such assistance as may reasonably be required for the other party to secure, perfect, maintain and enforce the other party's rights in its Intellectual Property in connection with this Agreement. Reasonable assistance includes executing and delivering the documents reasonably necessary for the other party to secure, perfect, maintain or enforce its rights in such Intellectual Property (including documents to assign rights, to apply for patent protection, or to register a copyright), responding to reasonable requests for information pertinent thereto and ensuring Affiliates, as applicable, cooperate to achieve the goals set forth in this Section 3.3; provided, however, that in each of the foregoing cases, the party requesting the assistance shall be required to reimburse the assisting party's reasonable out-of-pocket expenses incurred in connection therewith.

3.4 License.

(a) Subject to the terms and conditions of this Agreement, Schrödinger hereby grants to Lhotse a fully paid-up, non-exclusive, royalty-free, worldwide license to use (i) the Results provided by Schrödinger under the Work Plan and (ii) (A) the Schrödinger Knowhow and (B) the Schrödinger Improvements consisting of improvements, modifications or enhancements to Schrödinger Knowhow, in each case of (A) and (B) that are necessary or reasonably useful for Lhotse to conduct the activities assigned to it under the Work Plan, solely for purposes of conducting such activities during the Term.

(b) Subject to the terms and conditions of this Agreement, Lhotse hereby grants to Schrödinger a fully paid-up, non-exclusive, royalty-free, worldwide license to use (i) the Results provided by Lhotse under the Work Plan, (ii) Lhotse Background Intellectual Property, (iii) Lhotse Improvements and (iv) Collaboration Inventions, Work Product and Virtual Screen Results, in each case of (i) to (iv), that are necessary or reasonably useful to conduct the activities assigned to Schrödinger under the Work Plan, solely for purposes of conducting such activities during the Term. Further and notwithstanding the definition of "Control" in Section 1.4 above, Lhotse agrees to use reasonable efforts to obtain for Schrödinger licenses and any other rights to any Intellectual Property of an Affiliate, Third Party collaboration partner (e.g., University of Southern California) or Third Party service provider of Lhotse or its Affiliates participating in the Program that relates to (a) the Target or (b) the Intellectual Property contributed by such Affiliate, Third Party collaboration partner or Third Party service provider that is necessary or reasonably useful for Schrödinger to conduct the activities assigned to Schrödinger under the Work Plan (collectively, the "Other Intellectual Property"). Lhotse acknowledges and agrees that it is the Parties' understanding hereunder that Lhotse or an Affiliate, as applicable, will obtain for or on behalf of Schrödinger rights to "Other Intellectual Property" without any additional fees imposed on Schrödinger by Lhotse or a Third Party or a Lhotse Affiliate if the Other Intellectual Property is necessary or reasonably useful for Schrödinger to conduct the activities assigned to Schrödinger under the Work Plan.

(c) All rights in and to Intellectual Property not expressly granted by Lhotse or Schrödinger under this Agreement are reserved to its owner. Nothing in this Agreement will be deemed to weaken or waive any rights of either party related to the protection of trade secrets.

4. Representations and Warranties

4.1 Representations and Warranties. Each party represents and warrants to the other the following during the Term: (a) it is duly organized and validly existing under the laws of its jurisdiction of incorporation or formation, and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof; (b) it is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder, and the person or persons executing this Agreement on its behalf has been duly authorized to do so by all requisite corporate action; (c) this Agreement is legally binding upon it, enforceable in accordance with its terms; and (d) the execution, delivery and performance of this Agreement by it does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any material, applicable law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it (such laws and regulations collectively, "***Applicable Laws***").

4.2 Disclaimer. THE SERVICES, TECHNOLOGY AND MATERIALS PROVIDED BY EACH PARTY HEREUNDER ARE PROVIDED "AS IS" AND, EXCEPT FOR THE WARRANTIES EXPRESSLY SET FORTH IN SECTION 4.1, EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS, STATUTORY OR IMPLIED, INCLUDING WITHOUT LIMITATION (A) THE WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES, AND (B) WARRANTIES, IF ANY, ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICES.

4.3 Limitation of Liability. EXCEPT FOR BREACH OF CONFIDENTIALITY OBLIGATIONS UNDER ARTICLE 5 AND SUBJECT TO THE LAST SENTENCE OF THIS SECTION 4.3, (A) NEITHER PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT, OR ANY LICENSE GRANTED HEREUNDER (INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST BUSINESS OR PROFITS, LOSS OF DATA OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES), EVEN IF ADVISED OF THE POSSIBILITY THEREOF; AND (B) EACH PARTY'S ENTIRE AGGREGATE LIABILITY UNDER RELATING TO THIS AGREEMENT, FOR ANY REASON(S) AND UPON ANY CAUSES(S) OF ACTION WHATSOEVER, SHALL NOT EXCEED FIVE HUNDRED THOUSAND DOLLARS ($500,000). NOTWITHSTANDING THE FOREGOING, SCHRÖDINGER'S ENTIRE AGGREGATE LIABILITY UNDER OR RELATING TO A BREACH OF ITS EXCLUSIVITY OBLIGATIONS UNDER SECTION 2.6 OF THIS AGREEMENT SHALL NOT EXCEED ONE MILLION DOLLARS ($1,000,000).

4.4 Liability for Affiliates. Notwithstanding anything to the contrary herein, each party shall be responsible and fully liable for any acts and omissions of its Affiliates (and such Affiliates' employees, agents and consultants, as applicable) in connection with such Affiliates' performance on behalf of or for such party under this Agreement as if such acts and omissions had been executed by such party itself.

5. CONFIDENTIALITY

5.1 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the parties, the parties agree that, during the Term of this Agreement and for [***] ([***]) [***] thereafter, the receiving party shall keep confidential and shall not publish or otherwise disclose and shall not use for any purpose other than as expressly provided for in this Agreement any Confidential Information furnished to it by the disclosing party from the date of that certain mutual non-disclosure agreement between ShouTi LLC (the predecessor-in-interest of ShouTi) and Schrödinger dated June 10, 2016 (the "***Non-Disclosure Agreement***") through the end of the Term of this Agreement. Each party may use Confidential Information of the other party only to the extent necessary to accomplish the purposes of this Agreement. Each party will use at least the same standard of care as it uses to protect proprietary or confidential information of its own to ensure that its employees, agents, consultants and other representatives do not disclose or make any unauthorized use of the other party's Confidential Information. Each party will promptly notify the other upon discovery of any unauthorized use or disclosure of the other party's Confidential Information.

5.2 Exceptions. Confidential Information shall not include any information which the receiving party can prove by competent written evidence: (a) is now, or hereafter becomes, other than through a breach of the confidentiality obligations set forth herein on the part of the receiving party, generally known or available; (b) is known by the receiving party at the time of receiving such information, as reasonably evidenced by its records; (c) is hereafter furnished to the receiving party by a Third Party, as a matter of right and without restriction on disclosure; or (d) information independently developed by the receiving party as evidenced by written documentation or other reasonable evidentiary means.

5.3 Publicity. Subject to Sections 5.4 and 5.5 below, neither party shall disclose any terms or conditions of this Agreement to any Third Party without the prior consent of the other party; provided, however, that after execution of this Agreement, either party may issue a press release announcing the collaboration subject to the other party's written approval of the content of such press release.

5.4 Legally Required Disclosure. Notwithstanding the foregoing, each party shall have the right to disclose the other party's Confidential Information and the terms and conditions of this Agreement to the extent such disclosure is required by applicable laws and regulations; provided that such party shall promptly notify the other party of such legally required disclosure and reasonably cooperate with the other party to obtain a protective order limiting or restricting the required disclosure.

5.5 Terms of Agreement - Permitted Disclosure. The parties agree that the terms of this Agreement (including all exhibits hereto) are confidential between the parties and shall not be disclosed to Third Parties. Notwithstanding the foregoing, a party is permitted to disclose of the terms of this Agreement to (i) representatives and Affiliates of each party who reasonably have a need to know for the purposes of this Agreement; or (ii) auditors, potential and current investors and acquirers, attorneys, advisors and similar persons of each party who have a need to know for purposes of corporate and legal compliance, diligence, audits and similar activities; provided however that any such persons are bound by reasonable obligations of confidentiality in connection with any disclosure of the terms of this Agreement.

5.6 Independent Development. It is understood that the parties may have performed, and may continue to perform, independent development relating to the Confidential Information or proprietary information received thereunder. The parties hereto agree that neither this Agreement nor the receipt of any Confidential Information or proprietary information shall limit either party's independent development or right to use the skills, knowledge, experience and information which such party has acquired in the course of the Program, so long as in doing so (i) Schrödinger shall not use Lhotse's Confidential Information and (ii) Lhotse shall not use Schrödinger's Confidential Information.

6. Term and Termination

6.1 Term of the Agreement. The term of this Agreement shall commence on the Effective Date and, unless earlier terminated in accordance with this Article 6, continue for three (3) years thereafter (such period, the "***Term***"). This Agreement may be extended upon mutual, written agreement of the parties.

6.2 Termination for Cause. Each party shall have the right to terminate this Agreement upon [***] ([***]) [***] prior written notice to the other upon the occurrence of either of the following events: (a) upon or after the bankruptcy, insolvency, dissolution or winding up of the other party (other than a dissolution or winding up for the purpose of reconstruction or amalgamation); or (b) upon or after the breach of any material provision of this Agreement by the other party if the breaching party has not cured such breach within the [***] ([***]) [***] period following written notice of termination by the non-breaching party.

6.3 Effect of Termination; Surviving Obligations. Expiration or termination of this Agreement shall not relieve the parties of any obligation accruing prior to such expiration or termination. Except as set forth below or elsewhere in this Agreement, the obligations (including without limitation obligations to grant equity to Schrödinger hereunder and under any other applicable agreements in connection with the Program) and rights of the parties under Sections 2.6, 2.9, 2.10, 3.1, 3.2, 3.3, 4.2, 4.3, 4.4 and Articles 5, 6, 7, and 8 shall survive expiration or termination of this Agreement. Upon the disclosing party's written request provided within [***] ([***]) [***] following the expiration or termination of this Agreement, each party shall deliver to the other party any and all Confidential Information of the other party in its possession. The exercise by either party hereto of a termination right provided for under this Agreement shall not, in and of itself, give rise to the payment of damages or any other form of compensation or relief to the other party with respect thereto. Subject to the preceding sentence, termination of this Agreement shall not preclude either party from claiming any other damages, compensation or relief that it may be entitled to upon such termination.

7. INDEMNIFICATION

7.1 Indemnification.

(a) Schrödinger hereby agrees to defend, indemnify and hold harmless Lhotse, its Affiliates and its and their respective employees, officers, directors and agents (each, a "***Lhotse Indemnified Party***") from and against any and all claim, liability, loss, damage, cost, and expense, including reasonable attorneys' fees (collectively, "***Liabilities***"), which the Lhotse Indemnified Party may incur, suffer or be required to pay resulting from or arising in connection with any Third Party action or claim based upon (i) the gross negligence or willful misconduct of Schrödinger hereunder or (ii) the breach by Schrödinger of any of its material obligations, representations or warranties set forth in this Agreement (which includes the Work Plan) or (iii) the infringement of such Third Party's Intellectual Property Rights by the Schrödinger Technology or Schrödinger Knowhow used by Schrödinger in the performance of its obligations under this Agreement. Notwithstanding the foregoing, Schrödinger shall have no obligation under this Agreement to indemnify, defend or hold harmless any Lhotse Indemnified Party with respect to claims, demands, costs or judgments which result from willful misconduct or grossly negligent acts or omissions of Lhotse, its Affiliates or any of Lhotse's or Lhotse's Affiliates' respective employees, officers, directors or agents or Liabilities for which Lhotse indemnifies Schrödinger hereunder.

(b) Lhotse hereby agrees to defend, indemnify and hold harmless Schrödinger, its Affiliates and its and their respective employees, officers, directors and agents (each, a "***Schrödinger Indemnified Party***") from and against any and all Liabilities which the Schrödinger Indemnified Party may incur, suffer or be required to pay resulting from or arising in connection with any Third Party action or claim based upon (i) the gross negligence or willful misconduct of Lhotse or its Affiliates hereunder or (ii) the breach by Lhotse of any of its material obligations, representations or warranties set forth in this Agreement (which includes the Work Plan) or (iii) the development, manufacture, use, handling, storage, sale or other disposition of any product resulting from the Program by Lhotse, its Affiliates or sublicensees (other than Schrödinger). Notwithstanding the foregoing, Lhotse shall have no obligation under this Agreement to indemnify, defend or hold harmless any Schrödinger Indemnified Party with respect to claims, demands, costs or judgments which result from willful misconduct or grossly negligent acts or omissions of Schrödinger, its Affiliates or any of Schrödinger's or Schrödinger's Affiliates' respective employees, officers, directors or agents or Liabilities for which Schrödinger indemnifies Lhotse hereunder.

7.2 Control of Defense. In the event a party seeks indemnification under Section 7.1, it shall inform the other party (the "***Indemnifying Party***") of a claim as soon as reasonably practicable after it receives notice of the claim, shall permit the Indemnifying Party to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration), and shall cooperate as reasonably requested (at the expense of the Indemnifying Party) in the defense of the claim.

8. General Provisions

8.1 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, excluding its conflicts of laws principles.

8.2 Dispute Resolution. The parties recognize that disputes as to certain matters may from time to time arise which relate to either party's rights and/or obligations hereunder. To resolve such disputes, the parties agree to follow the procedures set forth in this Section 8.2 if and when such a dispute arises between the parties. If any claim, dispute, or controversy of whatever nature arising out of or relating to this Agreement arises between the parties and the parties cannot resolve the dispute within [***] ([***]) [***] of a written request by either party to the other party, the parties agree to hold a meeting, attended by the [***] of Lhotse and the [***] of Schrödinger, to attempt in good faith to negotiate a resolution of the dispute (such [***], collectively, the "Executives"). If the Executives are unable to resolve such dispute within [***] ([***]) [***], then such dispute shall be resolved by binding arbitration administered by [***] in New York in accordance to its then current arbitration rules. The number of arbitrators shall be [***] ([***]), [***] of whom [***] selected by Lhotse, [***] of whom [***] selected by Schrödinger and [***] of whom [***] selected by Lhotse and Schrödinger (or by the other [***] ([***]) arbitrators if the parties cannot agree within [***] ([***]) [***] of selecting the other [***] ([***]) arbitrators). The arbitration shall be conducted in the English language. Any arbitration proceeding shall be brought in New York in accordance with the Rules of the [***] unless the parties agree in writing to conduct the arbitration in another location and under different arbitration rules. The arbitration decision shall be binding upon the parties. The decision of the arbitrators shall be executory, and the prevailing party may enter such decision in any court having competent jurisdiction. Each party shall have the right to institute judicial proceedings against the other party or anyone acting by, through or under such other party (including the right to seek and to obtain injunctive relief) solely to enforce the instituting party's arbitration rights or the decision of the arbitrators. Nothing in this Agreement shall be deemed as preventing either party from seeking injunctive relief (other provisional remedy) from any court of competent jurisdiction as necessary to protect such party's interests.

8.3 Entire Agreement; Modification. This Agreement (including all exhibits and attachments hereto) is both a final expression of the parties' agreement and a complete and exclusive statement with respect to all of its terms. This Agreement supersedes all prior and contemporaneous agreements and communications, whether oral, written or otherwise, concerning any and all matters contained herein, including, without limitation, the Non-Disclosure Agreement (except insofar as the Non-Disclosure Agreement applies to confidential information of a party disclosed prior to the Effective Date of this Agreement) and the 2019 Letter Agreement (except insofar as the 2019 Letter Agreement applies to rights and obligations of the parties arisen prior to the Effective Date of this Agreement). No rights or licenses with respect to any intellectual property of either party are granted or deemed granted hereunder or in connection herewith, other than those rights expressly granted in this Agreement. This Agreement may only be amended, modified or supplemented in a writing expressly stated for such purpose and signed by the parties to this Agreement. In the event of any conflict between the terms of this Agreement and any exhibit, the terms of this Agreement shall take precedence.

8.4 Non-Waiver. The failure of a party to insist upon strict performance of any provision of this Agreement or to exercise any right arising out of this Agreement shall neither impair that provision or right nor constitute a waiver of that provision or right, in whole or in part, in that instance or in any other instance. Any waiver by a party of a particular provision or right shall be in writing, shall be as to a particular matter and, if applicable, for a particular period of time and shall be signed by such party.

8.5 Assignment. Except as expressly provided hereunder, neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred by either party without the prior written consent of the other party (which consent shall not be unreasonably withheld); *provided, however,* that either party may assign this Agreement and its rights and obligations hereunder without the other party's consent (a) to an Affiliate, (b) in connection with the transfer or sale of all or substantially all of the business of such party to which this Agreement relates to a Third Party, whether by merger, sale of stock, sale of assets or otherwise, or (c) in connection with any consolidation or merger effected exclusively to change the domicile of such party. In the event of such a permitted assignment, the parties to this Agreement shall not acquire by such transaction any access to Intellectual Property of any Third Party or which was not already included in the Intellectual Property licensed hereunder prior to such transaction, unless the agreements related to such transaction explicitly specify otherwise. The rights and obligations of the parties under this Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties. Any assignment not in accordance with this Agreement shall be void and of no effect.

8.6 No Third Party Beneficiaries. This Agreement is neither expressly nor impliedly made for the benefit of any party other than those executing it.

8.7 Severability. If, for any reason, any part of this Agreement is adjudicated invalid, unenforceable or illegal by a court of competent jurisdiction, such adjudication shall not affect or impair, in whole or in part, the validity, enforceability or legality of any remaining portions of this Agreement. All remaining portions shall remain in full force and effect as if the original Agreement had been executed without the invalidated, unenforceable or illegal part.

8.8 Notices. Any notice to be given under this Agreement must be in writing and delivered either in person, by any method of mail (postage prepaid) requiring return receipt, or by overnight courier or facsimile confirmed thereafter by any of the foregoing, to the party to be notified at its address(es) given below, or at any address such party has previously designated by prior written notice to the other. Notice shall be deemed sufficiently given for all purposes upon the earlier of: (a) the date of actual receipt; (b) if mailed, three calendar days after the date of postmark; or (c) if delivered by overnight courier, the next business day the overnight courier regularly makes deliveries.

If to Schrödinger, notices must be addressed to:

Schrödinger, LLC
120 West 45th Street, 17th Floor
New York, New York 10036
Attention: President
Facsimile: 212 295 5801

With a copy to the General Counsel at the above address.

If to Lhotse, notices must be addressed to:

c/o ShouTi Inc.
611 Gateway Blvd, Suite 223
South San Francisco, CA 94080
Attention: Chief Executive Officer
Telephone: (628) 229-9277

8.9 Force Majeure. Each party shall be excused from liability for the failure or delay in performance of any obligation under this Agreement by reason of any event beyond such party's reasonable control including but not limited to Acts of God, fire, flood, explosion, earthquake, or other natural forces, war, civil unrest, accident, destruction or other casualty, any lack or failure of transportation facilities, any lack or failure of supply of raw materials, any strike or labor disturbance, or any other event similar to those enumerated above. Such excuse from liability shall be effective (a) only to the extent and duration of the event(s) causing the failure or delay in performance and (b) provided that the party relying on this Section has not caused such event(s) to occur and that the party takes all reasonable steps necessary under the circumstances to mitigate the effects of the applicable force majeure event. Notice of a party's failure or delay in performance due to force majeure must be given to the other party within [***] ([***]) [***] after its occurrence. All delivery dates under this Agreement that have been affected by force majeure shall be tolled for the duration of such force majeure. In no event shall any party be required to prevent or settle any labor disturbance or dispute. Notwithstanding the foregoing, should the event(s) of force majeure suffered by a party extend beyond a [***] ([***]) [***] period, the other party may then terminate this Agreement by written notice to the non-performing party, with the consequences of such termination as set forth in Section 6.4.

8.10 Independent Contractors. Each party acknowledges and agrees that such party's services hereunder are performed on a non-exclusive basis, except as otherwise set forth explicitly in this Agreement (including Section 2.6). Each party shall have the right to perform similar services for, or undertake similar collaborations with, parties other than the other party. This Agreement does not provide, and shall not be construed to provide, any Third Parties with any remedy, claim, cause of action or privilege. Nothing in this Agreement shall be construed as creating an employer-employee or agency relationship.

8.11 Headings. The headings of clauses contained in this Agreement preceding the text of the articles, sections and subsections hereof are inserted solely for convenience and ease of reference only and shall not constitute any part of this Agreement, or have any effect on its interpretation or construction.

8.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original document, and all of which, together with this writing, shall be deemed one instrument.

8.13 Construction. Except where the context otherwise requires, wherever used, the singular will include the plural, the plural the singular, the use of any gender will be applicable to all genders, and the word "or" is used in the inclusive sense (and/or). Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term "including" as used herein shall be deemed to be followed by the phrase "without limitation" or like expression. The term "will" as used herein means shall. References to "Article," "Section" or "Exhibit" are references to the numbered sections of this Agreement and the exhibits attached to this Agreement, unless expressly stated otherwise. Except where the context otherwise requires, references to this "Agreement" shall include the exhibits attached to this Agreement. The language of this Agreement shall be deemed to be the language mutually chosen by the parties and no rule of strict construction will be applied against either party hereto.

In Witness Whereof, the parties hereto have duly executed this Collaboration Agreement as of the Effective Date.

Lhotse Bio, Inc.	**Schrödinger, LLC, By Its Sole Member, Schrödinger, Inc.**
By: /s/ Raymond Stevens	By: /s/ Cony D'Cruz
Name: Raymond Stevens	Name: Cony D'Cruz
Title: Chief Executive Officer	Title: Executive VP & Chief Business Officer

EXHIBIT A

Work Plan

[***]

Exhibit 10.15

SHANGHAI PREMISES
LEASE CONTRACT

Important Notice

1. This Contract applies to issues in respect of pre-lease of commercial housing situated within the administrative jurisdiction and of such premises the rent of which is determined by related parties by means of negotiation on the reasonable market value basis, which both kinds of properties or premises exclude any publicly-owned residence property leased in return for a rent provided by Shanghai Municipal Government, public welfare premises which are for non-residence purposes, leased as appropriate administratively allocated, and which are built with investment by related government, as well as such privately-owned premises the lease of which have been made prior to the implementation of the Regulations of Shanghai Municipal Government on Premises Lease (hereinafter referred to as "the Regulations"), in return for a rent as specified by Shanghai Municipal Government.

2. The pre-lease as referred to hereinabove is only allowed to be made in respect of such commercial housing as is built by related property developers, and for which commercial housing a pre-sales permit has been duly obtained, except for any commercial housing which has been pre-sold by related property developers; provided, however, no pre-lease may be made by any pre-buyer of commercial housing.

3. The terms of "FOR LEASE" and "FOR PRE-LEASE" as appearing herein are for indicative purposes, denoting that related provisions or clauses marked with such terms apply to lease or pre-lease, as indicated respectively. When this Agreement following this notes part is used as a premises lease agreement, only those provisions marked with the word "Lease" will be included and adopted as integral part of such lease agreement; likewise, when used a commercial housing pre-lease contract, only those provisions marked with the word "Pre-lease" of the Model Agreement, as well as provisions in respect of "Pre-lease Related Issues" as set out in the Supplemental Provisions (Additional Terms and Conditions), may be included and adopted as integral parts of the pre-lease contract intended to be concluded. The remaining provisions or clauses without the mark ( ) followed shall be included in a related agreement or contract as general terms which apply to issues in respect of both lease and pre-lease.

4. In case this Contract is to be used for intended pre-lease of commercial housing, the Parties to such pre-lease shall, after related property developer has followed required the original registration of real estate and acquired a real estate ownership certificate, upon completion of built of such commercial housing enter into and execute a Commercial Housing Use and Delivery Form. All terms and conditions in respect of the Pre-lease Agreement previously made by the Parties shall have been fully fulfilled upon the Commercial Housing Use and Delivery Form enters into effect.

5. This Contract serves as the Model Text for Premises Pre-lease (for trail implementation), which is prepared by Shanghai Administration of Property and Land Recourses and Shanghai Municipal Bureau for Industry and Commerce, in accordance with the Regulations of Shanghai Municipal Government on Premises Lease. The terms and conditions contained herein are indicative and the parties to the lease may choose to adopt them or any of them. For the matters not covered in this Contract, the Parties may enter into a supplementary agreement through negotiation.

6. Prior to execution of this Contract, the Landlord is required to present to the Tenant its real estate ownership and land use right certificate or other related ownership certificate, and the property developer shall present to the pre-lessee the pre-sale permit duly obtained. Each party to the intended pre-lease shall verify the identity certificate of the other and provide the other its own identity certificate. If the premises are leased to migrants, the landlord shall also show the Premises Lease Public Security Permit issued by the local public security department.

7. Related parties concerned shall, within fifteen (15) days upon execution of this Contract, follow related formalities of registration of lease agreement for purposes of putting on file. Especially, for premises lease, related parties to such lease shall go through related formalities with the real estate exchange center or the Farm system filing office, which is established for the place where such leased premises is located, and apply for a certificate of premises lease registration and recording; in the case of pre-lease of commercial housing intended only for non-locals or overseas residents, related formalities shall be followed with Shanghai Municipal Real Estate Exchange Center for putting such pre-lease on file; in the event of pre-lease of commercial housing intended only for locals or nationals, related formalities shall be followed with appropriate Real Estate Exchange Center established for the place where such pre-leased premises is located, for putting such pre-lease on file. After the pre-leased commercial premises are completed and obtains the real estate title certificate, the parties will sign a pre-leased commercial premises handover form, and then register and file the lease with the real estate exchange or the farm system acceptance office where the premises are located, and receive the lease contract registration and filing certificate. After the lease contract has been registered and filed, it can defend against any third party in the event of repeated pre-leases, leases, transfer of the title of the premises during the lease term, or disposition after being mortgaged.

8. In case only one party intends to apply for registration of lease contract for putting on file while the other is unwilling to cooperate therewith as requested, such party intending to apply for registration thereof may independently go through related formalities for registration for putting on file, by presenting the lease agreement in question, its valid identification certificate, as well as other related instruments.

9. The deposit is to secure the performance of this Contract. The establishment and amount of the deposit may be stipulated by the Landlord and the Tenant in the contract when the premises are leased. The amount of the deposit shall be agreed upon by the Parties to the lease. Upon termination of the lease, the deposit, after deducting the relevant costs and expenses payable by the Landlord as specified in the contract, shall be refunded to the Tenant.

10. This Model Contract may be available, on a cost basis, at the Real Estate Exchange Center or Farm System Filing Office, at Shanghai municipal level or the place, county where the related premises is located. The parties shall read this Contract carefully and understand the contents of each provision carefully before using the form of this Contract.

11. This Contract serves only as a model text for reference by related parties.

12. Where the leasehold hereunder is established under the help of agency or brokerage, related parties to a lease shall require such brokerage or broker to sign on the last signature page hereof.

Shanghai Premises Lease Contract

(Contract No.:)

BETWEEN:

Landlord (Party A): Shanghai Changtai Business Management Co., Ltd.

[For Lease]

Tenant (Party B): Shanghai ShouTi Biotechnology Co., Ltd.

THIS CONTRACT is made and entered into by and between Party A and Party B, through mutual friendly negotiation based on the principles of equality, voluntariness, fairness and good faith, regarding the lease by Party A to Party B of the real property which Party A is entitled to lease, in accordance with the Contract Law of the People's Republic of China and the Regulations of Shanghai Municipality for Premises Lease (hereinafter as "Regulations"), with the terms and conditions as follows.

Article 1 Details of the Premises

1.1. The Premises to be leased by Party A to Party B are located at **Unit 02, 5th Floor, No. 1, Lane 2889, Jinke Road, Pudong New Area**, Shanghai ("**Premises**"). The gross floor area (GFA) of the Premises is 550.51 square meters (the area is subject to the actual measurement report issued by the government authority). The Premises shall be used as office; the type of the Premises is an office building, and the building structure of the Premises is a reinforced concrete structure. A floor plan of the Premises is attached hereto as Appendix A. It is acknowledged that Party A has presented to Party B the followings:

[For Lease] Real Estate Title Certificate/Real Property Title Certificate: [Certificate No.: Shanghai (2016) Pudong Real Property No. 019457].

1.2. The leasehold is established between Party A, as the owner of the real property of the Premises, and Party B.

1.3. The scope, conditions and requirements for use of the shared or common parts of the Premises, the status of the existing decorations, fixtures and equipment, and the contents, standards, as well as other issues in respect of those decorations and fixtures to be added by Party B with the consent of Party A, are set out in appendices attached hereto respectively. Both Parties agree that the aforesaid Appendices shall become the basis for the acceptance of the Premises, when the Premises is delivered by Party A to Party B and when returned by Party B to Party A upon termination of this Contract.

1.4. Refer to the Supplemental Provisions hereof for details.

Article 2 Purpose

2.1. Party B undertakes to Party A that the Premises leased hereunder is to be used as **office** room and Party B will comply with any and all related applicable provisions concerning the premises use and property management of the State and Shanghai Municipal Government.

2.2. Party B hereby warrants that during the Lease Term, no change will be made to the mutually agreed usage of the Premises without prior written consent of Party A and, if required by applicable laws and regulations, the approval from relevant competent authorities after due process of examination and approval thereby,.

Article 3 Handover Date and Lease Term

3.1. Both Parties agree that Party A shall deliver to Party B the Premises on the date of **July 16, 2021**. The lease term of the Premises shall be from **September 16, 2021** to **September 15, 2023** (refer to Article 2.1 of the Supplementary Provisions for details).

3.2. Upon expiry of the Lease Term, Party A shall have the right to repossess the Premises, and Party B shall return the Premises to Party A on time. Where Party B intends to renew the lease hereunder, it shall deliver a written request to Party A at least six (6) months prior to expiration of the Lease Term and shall, subject to Party A's consent, sign a renewal contract.

3.3. Refer to the Supplemental Provisions hereof for details.

Article 4 Rent, Method and Time Limit of Payment

4.1. The Parties agree that the rent for this Premises shall be RMB (refer to the Supplemental Provisions hereof for details) per day per square meter of GFA and the rent is fixed within (refer to the Supplemental Provisions hereof for details) months. The terms for adjustment of the rent are set out by the Parties in the Supplemental Provisions (refer to Article 3.1 of the Supplemental Provisions for details).

4.2. The rent shall be paid by Party B to Party A on or before the 25th day of each month. Party B shall pay a penalty to Party A at 0.05% of the amount in arrears for each overdue day if the payable rent becomes overdue.

4.3. The rent shall be paid by Party B as follows: (refer to Article 3.2 of Supplemental Provisions hereof for details).

Article 5 Deposit and Other Fees

5.1. Upon receiving the Deposit, Party A shall issue a receipt to Party B. Upon termination of this lease, the Deposit, as received by Party A hereunder, after offsetting the amounts due and payable by Party B hereunder, shall be refunded to Party B without interest.

5.2. All costs and fees relating to the use of the Premises incurred during the Lease Term, such as water, electricity, communication, equipment, property management, air-conditioning service during non-business hours, parking and energy service, shall be borne by Party B.

5.3. The rules of calculation or allocation, the payment method and time limit of payment for the aforesaid fees and expenses borne by Party B shall be: (refer to the Supplementary Provisions for details).

Article 6 Requirements for Use and Responsibility for Maintenance of the Premises

6.1. During the Lease Term, Party B shall notify promptly Party A to repair or make good any damage or failure occurred to the Premises or its attached facilities whenever such damage or failure comes to his attention; Party A shall within seven (7) days upon receipt of such notice from Party B, make appropriate correction or repair; otherwise, Party B may make such repair on behalf of Party A, and the reasonable costs thereof shall be borne by Party A.

6.2. During the Lease Term, Party B shall reasonably use and take proper care of the Premises and any fixtures therein. Party B shall be liable for making repair of any damage to or failure in the Premises or any fixtures therein (other than normal tear and wear) caused by misuse or unreasonable use by Party B. If Party B refuses to make repair upon request of Party A, Party A may make repair on behalf of Party B, and the reasonable costs thereof shall be borne by Party B.

6.3. Party A shall ensure the normal usable and safe conditions of the Premises and all fixtures therein during the Lease Term. Party A shall notify Party B of any scheduled inspection and/or maintenance on the Premises seven (7) days in advance. During the course of inspection and maintenance, Party B shall provide cooperation for that purpose. Party A shall minimize the impact of such inspection and maintenance on Party B's use of the Premises.

6.4. Except for the decorations, fixtures and equipment listed in Appendix C hereto, if Party B intends to add any decoration, fixture or equipment, it shall obtain the prior written consent of Party A; if such addition shall be subject to the examination and approval of the competent authority according to the applicable laws and regulations, Party B shall obtain the approval from the competent authority in advance. The ownership of such added fixtures and equipment, made by Party B, as well as maintenance responsibilities thereof shall be otherwise provided in writing agreement between Party A and Party B.

6.5. Refer to the Supplemental Provisions hereof for details.

Article 7 Conditions of the Returned Premises

7.1. Unless Party A consents to the renewal hereof intended by Party B, Party B shall return the Premises to Party A upon expiration of the Lease Term. If Party B fails to do so without consent from Party A, Party B shall pay to Party A the occupancy fee for the Premises equal to RMB (refer to the Supplementary Provisions for details) ____ per square meter.

7.2. The Premises returned by Party B shall be restored to the original conditions when the Premises was delivered. The intended return of the Premises shall be subject to due inspection and acceptance by Party A, and in the event of acceptance by Party A of intended return, each party shall pay up any and all amounts that shall be borne by such party respectively.

7.3. Refer to the Supplemental Provisions hereof for details.

Article 8 Sublease, Assignment and Exchange

8.1. Except as Party A consents to sublease by Party B as provided for in the Supplemental Provisions hereof, Party B, during the entire lease term hereof, may not sublease a part of the Premises to any third party unless a prior written consent has been obtained from party A.

8.2. For any intended sublease of this Premises, Party B shall sign a sublease contract with the related sub-lessee in writing, and shall file such sublease with the Real Estate Exchange at the place where the Premises are located in accordance with relevant regulations.

8.3. During the Lease Term, any sublease of the Premises by Party B to any third party or the exchange of the Premises by Party B with the premises leased by others, is subject to a prior written consent of Party A. Upon completion of such sublease or exchange, the assignee of the lease or the person with whom Party B exchanges premises shall enter into a contract whereby the lessee is changed and the changed lessee agrees to perform the terms and conditions contained herein.

8.4. Refer to the Supplemental Provisions hereof for details.

Article 9 Conditions for Termination

9.1. Both Parties agree that this Contract shall be terminated and neither Party is liable to the other Party upon occurrence of any of the following circumstances during the Lease Term:

(i) The right to use the land occupied by the Premises is withdrawn prior to the expiry date according to law;

(ii) The Premises are requisitioned for public interest according to law;

(iii) The Premises are listed in the scope of demolition and relocation for the needs of urban construction according to law;

(iv) The Premises are damaged, destroyed or assessed as a dangerous property;

9.2. It is agreed that, under any of the following circumstances, either Party may notify the other in writing to terminate this Contract. The breaching Party shall pay liquidated damages equal to (refer to the Supplemental Provisions hereof for details) times of the monthly rent to the non-breaching Party; if the non-breaching Party suffers losses more than the liquidated damages, the breaching Party shall also indemnify the non-breaching Party the difference between the losses and the liquidated damages.

(i) Failure on the part of Party A to deliver the premises as scheduled and the failure continues for a period of seven (7) days upon request by Party B for delivery;

(ii) The Premises delivered by Party A fail to conform to the stipulations hereof, thus frustrating the lease purpose described herein; or the Premises delivered by Party A are defective, thus threatening the safety of Party B;

(iii) Party B changes the purpose of the Premises without written consent of Party A;

(iv) The main structure of the Premises is damaged due to any reason of Party B;

(v) Party B sublets the Premises, or assigns the right of rent regarding the Premises or exchanges with others their respective leased premises without the prior consent of Party A;

(vi) Failure by Party B to pay due rent for a period of one (1) month aggregately.

9.4. Refer to the Supplemental Provisions hereof for details.

Article 10 Liabilities for Breach

10.1. Party A shall be held liable for compensation for any loss suffered or sustained by Party B as a result of failure of Party A to inform Party B that the Premises has been mortgaged or transfer of title to the Premises is restricted.

10.2. Party A shall be liable for compensation for any property damage or bodily injury caused to Party B as a result of damage to the Premises caused by reason of failure of Party A to perform the repair and/or maintenance responsibilities set forth herein, during the Lease Term.

10.3. If Party B fits out or adds fixtures in the Premises without the prior written consent of Party A or beyond the scope or requirement accepted by Party A in writing, Party A may demand Party B to make restitution of the Premises and pay compensation.

10.4. Refer to the Supplemental Provisions hereof for details.

Article 11 Miscellaneous

11.1. If Party A intends to mortgage the Premises during the Lease Term, it shall give a written notice to Party B.

11.2. This Contract shall become effective as of being duly signed and sealed by both Parties.

11.3. Any matter not covered herein shall be specified in the supplementary provisions reached by the Parties through friendly negotiation. The Supplemental Provisions and the appendices hereto are the integral parts of this Contract. The printed words or provisions hereof and those words inserted in the blank space intentionally left in this Contract, its Supplemental Provisions, as well as appendices attached hereto shall have same force. If there is any conflict between any supplementary provision or appendix and this Contract, the supplementary provision and the appendix shall prevail.

11.4. Each Party has understood its rights, obligations and responsibilities hereunder when this Contract is entered into, and agrees to strictly comply with the terms and conditions of this Contract. If either Party breaches this Contract, the other Party is entitled to claim against the breaching Party for damages in accordance with this Contract.

11.5. This Contract shall be governed by and construed in accordance with the laws of the People's Republic of China. Any dispute arising from or in connection with the performance of this Contract shall be resolved between both Parties through mutual friendly negotiation; if no successful settlement can be reached through negotiation, the second option indicated below will be used by the Parties to resolve the dispute:

(i) Submit to Shanghai Arbitration Commission for arbitration;

(ii) File an action before the people's court where the Premises are located.

11.6. This Contract, together with its appendices attached hereto, are made and executed in five counterparts. Each Party shall keep two counterparts respectively, and the remaining one counterpart shall be filed with Shanghai Pudong New Area Real Estate Exchange Center. All counterparts hereof shall have the equal legal effect.

11.7. Refer to the Supplemental Provisions hereof for details.

Supplementary Provisions

In accordance with Article 11.3 of the Shanghai Premises Lease Contract entered into by the Parties (hereinafter referred to as "This Contract"), the Parties hereby enter into the Supplemental Provisions with respect to the following matters (hereinafter referred to as "Supplementary Provisions"). These Supplementary Provisions, the body of the Contract and all annexes and appendices hereto are collectively referred to as the "This Contract". In case of any consistence between the body of the Contract and these Supplementary Provisions or any annex or appendix hereto, these Supplementary Provisions and the annex or appendix hereto shall prevail.

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1. Definitions

For the purpose of this Contract, the following terms shall have the meaning defined below, unless it is otherwise required in the context:

1.1. "Handover Date" shall mean the date of July 16, 2021 as agreed upon by both Parties in Article 3.1 of this Contract.

1.2. "Commencement Date" shall mean the date of September 16, 2021, or another date stipulated herein, or another date agreed upon by both Parties in writing.

1.3. "Lease Term" shall mean the period from the Commencement Date to the date of termination of this Contract.

1.4. Party B shall comply with the tenant decoration guidelines and the Building's tenant manual, as well as other rules regarding the Premises and the public areas and public facilities formulated and/or amended from time to time by the property manager and/or Party A. Such guidelines, manual, rules and the updates and amendments notified by the property manager and/or Party A to Party B in writing from time to time shall be incorporated herein and become an integral part of this Contract.

1.5. Party B agrees that, the floor number of the Premises as described in Article 1.1 of this Contract is solely designated by Party A and may not be the same as the actual floor. If the said number is different to the actual floor number, Party B will not make any claim or any other demand against Party A due to such difference.

1.6. Party A has the right to hold or organize, or permit others to hold or organize any ceremonies, exhibitions, merchandise displays or promotional activities in any public area of the Building at the time, conditions and period it deems appropriate. For the purpose of this Contract, "Public Area" means that the public area of the Building that Party A grants Party B a non-exclusive right shared with other tenants, for Party B to access the Premises and use the Premises only, subject to the terms and conditions of this Contract. The property manager and/or Party A shall have the right to reasonably limit the scope of use mentioned above.

1.7. The Premises are the property located at Unit 02, 5th Floor, Block A, Chamtime Plaza, No. 1, Lane 2889, Jinke Road, Pudong New Area.

2. Supplemental Provision to Article 3 "Handover Date and Lease Term" of this Contract Both Parties agree that the Commencement Date shall be the date of **September 16, 2021**. The Lease Term shall be 24 months, from **September 16, 2021** to **September 15, 2023**.

2.2. If Party A fails to hand over the Premises to Party B on the Handover Date, Party B agrees to give Party A a 30-day grace period. In this case, the decoration period and/or Lease Term shall be extended according to the number of days extended by Party A. After the grace period, if Party A still fails to hand over the Premises to Party B, Party A shall give Party B an extra day of rent-free period for each day of delay. If the handover is delayed for more than 90 days, Party B may choose to terminate this Contract, and Party A shall refund the Deposit (without interest) paid by Party B within 30 days upon early termination of this Contract.

If Party B does not choose to terminate this Contract, Party A may continue to negotiate with Party B to postpone the Handover Date after the 90-day grace period until Party A finally hands over the Premises to Party B.

If Party B fails to sign this Contract or fails to pay the Deposit as specified in Article 4.1 hereof on time, Party A is not obliged to give Party B the rent-free period mentioned above.

If Party B fails to go through the formalities for inspection and acceptance of the Premises on the Handover Date, the expiry date of the decoration period and the rent-free period and the starting date of the Lease Term specified herein shall remain unchanged, and the days of the period from the Handover Date to the date of completion of the said formalities shall be deducted from Party B's decoration period (if any) and the Lease Term. Party A shall have the right to charge Party B the management fee, overtime air-conditioning fee and other fees from the starting date of the Decoration Period in accordance with this Contract.

2.3. Handover Procedures and Standards:

2.3.1. Party B shall inspect and accept the Premises together with Party A on the Handover Date. After the acceptance, both Parties shall sign a leased commercial premises handover form and go through the handover formalities.

2.3.2. Party A guarantees that on the Handover Date, Chamtime Plaza (including the Building, elevator halls and stairwells, etc.) has passed the inspection and commissioning required by the applicable laws and regulations, and Party A has obtained the permit and license required for the lease and operations of the office building under the laws and regulations. In addition, Party A will comply with the land, building and property laws and regulations and maintain such permit and license full force and effect throughout the License Term.

2.3.3. For details of Party A's handover standards, please refer to Appendix C. If the Premises fail to meet the handover standards, it shall be treated as Party A's delay in handover and Party A shall make remedy.

2.3.4. Party B shall commence the decoration in the Premises after the completion of handover procedures, and its decoration works shall comply with this Contract and the rules regarding decoration provided by Party A and/or the property manager.

If Party B intends to do the decoration in advance and Party A agrees so in writing, the date when Party B enters into the Premises shall be deemed as the Handover Date and it shall be deemed that Party A has handed over the Premises.

2.4. Decoration period and the rates of fees during the decoration period:

2.4.1. Party A agrees to grant Party B a two-month decoration period from July 16, 2021 to September 15, 2021. Except exemption of the rent the decoration period, Party B shall perform all its obligations under this Contract, including but not limited to the due and payable property management fee, electricity bill, energy service fee, air conditioning fee beyond the normal business hours (if any), any tax and/or charge payable by Party B related to the Premises and all other fees and expenses incurred from Party B's use of the Premises, from the Handover Date.

2.4.2. During the decoration period, the property management fee shall be reduced by **50%,** i.e. **RMB [16.00] per month per square meter of GFA**; however, if Party B starts its office operations in the Premises during the decoration period, 100% property management fee shall be paid by Party B from the date when Party B starts its office operations in the Premises.

2.5. Renewal and Rent Adjustment. If Party B intends to renew the lease after the Lease Term, it shall give a written notice of its intention of renewal to Party A at least six (6) months prior to the expiration of the Lease Term, and Party B must rent the Premises in whole during the renewal term. Party A has sole absolute discretion to approve or disapprove the renewal, while Party B has the priority to renew the lease under the equivalent conditions. The rent and lease terms and conditions during the renewal term will be agreed upon by the Parties according to the market conditions and a renewal lease contract will be signed. If Party B does not give a notice in accordance with the agreements mentioned above, it shall be deemed as a waiver of renewal.

3. Supplemental Provision to Article 4 "Rent, Terms and Time Limit of Payment" of this Contract

3.1. Price of Rent and Monthly Rent:

3.1.1. Party B shall, on the Commencement Date (other than the Decoration Period), pay the rent of the month thereof to Party A. The price of rent is RMB [6.30] per day per square meter of GFA ("Daily Rent"). The monthly rent shall be calculated according to the following formulas:

Monthly Rent (RMB [105,491.48]) = Daily Rent (RMB [6.30]) × 365 days / 12 months × GFA of the Premises (550.51 m^2)

3.1.2. The rent of the Premises is fixed during the Lease Term (i.e. from September 16, 2021 to September 15, 2023).

3.2. The rent shall be paid by Party B as follows:

3.2.1. The rent and the property management fee for the first month shall be paid prior to the Handover Date, and subsequently, the monthly rent shall be paid on or before the 25th day of previous month in advance. Party A shall issue a valid invoice for the payment to Party B within five (5) business days upon receiving the payment from Party B.

3.2.2. Party B shall remit the monthly rent to Party A's account below within the time limit according to Article 3.2.1 hereof and provide a proof of payment by fax or any other means acceptable to Party A on the date of payment:

RMB Account:

Account Name: Shanghai Changtai Business Management Co., Ltd.

Bank: Industrial and Commercial Bank of China, Shanghai Baoshan Sub-branch

Account Number: 1001233329005614092

3.2.3. Party B may also make payment by other means designated by Party A from time to time. All charges incurred from the payment shall be borne by Party B.

3.3. If Party B delays payment, it shall pay 0.05% of the overdue amount on a daily basis as a late fee.

3.4. Both Parties hereby confirm that the rent payable by Party B to Party A hereunder is exclusive of property management fee, electricity bill, energy service fee, air conditioning fee beyond the normal business hours (if any), all taxes and charges payable by Party B related to the Premises and all other fees and expenses incurred from Party B's use of the Premises.

4. Supplemental Provision or Amendment to Article 5 "Deposit and Other Fees" of this Contract

4.1. Deposit:

4.1.1. The Deposit under this Contract shall equal to the sum of the rents and the property management fees for three months, i.e. RMB [369,323.40] ("**Deposit**").

Both parties confirm that, as the lease deposit under the Letter of Intent, Party B has paid Party A the rent for one (1) month, i.e. RMB [105,491.48] plus the property management fee for one (1) month, i.e. RMB [17,616.32] , total RMB [123,107.80]. After the signing of this contract, the lease deposit will be automatically converted to a part of the deposit under this contract.

Party B has wired the corresponding deposit to the following account of Party A by wire transfer in accordance with the time limit specified in this supplementary provisions and has provided the corresponding proof of payment by fax or other methods approved by Party A on the payment day:

The above rent for one (1) month rent shall be paid to the following RMB account: Account Name: Shanghai Changtai Business Management Co., Ltd.

Bank: Industrial and Commercial Bank of China, Shanghai Baoshan Sub-branch Account Number: 1001233329005614092

The above property management fee for one (1) month shall be paid to the following RMB account:

Account Name: Shanghai Changtai Business Management Co., Ltd.

Bank: China Minsheng Bank Shanghai Caohejing Sub-branch

Account Number: 694622009

Within 7 days after the execution of this Contract or prior to the Handover Date specified in Article 1.1 hereof, whichever is earlier, Party B shall pay the sum of rents for two (2) months, i.e. RMB [210,982.96] plus the sum of property management fees for two (2) months, i.e. RMB [35,232.64], total RMB [246,215.60].

Party B shall remit the Deposit to Party A's accounts below respectively within the time limit specified herein and provide a proof of payment by fax or any other means acceptable to Party A on the date of payment:

The sum of rents for two (2) months shall be paid to the following RMB account:

Account Name: Shanghai Changtai Business Management Co., Ltd.

Bank: Industrial and Commercial Bank of China, Shanghai Baoshan Sub-branch

Account Number: 1001233329005614092

The sum of property management fees for two (2) months shall be paid to the following RMB account:

Account Name: Shanghai Changtai Business Management Co., Ltd.

Bank: China Minsheng Bank Shanghai Caohejing Sub-branch

Account Number: 694622009

4.1.2. If Party B violates any provision of this Contract within the term of this Agreement, Party A has the right to deduct any amounts payable by Party B (including but not limited to rent, property management fee, overtime air-conditioning fee and other fees), liquidated damages and/or indemnification for Party A's damages caused by Party B or its employees, agents, or visitors/customers, from the Deposit. If the balance of the Deposit in Party A's account is less than the amount specified in this Article 4.1.2 due to such deduction and/or compensation, Party B shall pay the difference to Party A within 3 business days upon receipt of a written notice from Party A. However, Party B shall not use the Deposit to offset any other payable amounts, including but not limited to the monthly rent, property management fee or other fees payable by Party B.

4.1.3. Upon expiration of this Contract, if Party A confirms that Party B has returned the Premises and the parking lot and fully paid the due and payable amounts, Party A shall refund the Deposit in full (without interest) within one month. If Party B fails to pay any payable amount, Party A shall have the right to deduct such amount from the Deposit, and shall have the right to recover the deficiency (if any) from Party B, or shall refund the balance (if any) to Party B (without interest).

4.1.4. Party B shall not transfer the Deposit to any third party as a security for its debts to the third party.

4.1.5. Party B shall maintain the Deposit in the amount specified in Article 4.1.1 hereof during the Lease Term.

4.2. Property Management Fee. The property management fee shall be RMB [32.00] per month per square meter of GFA. The monthly property management fee shall be RMB [17,616.32]. The monthly property management fee shall be paid on or before the 25th day of the previous month in advance. Party A reserves the right to uniformly adjust the property management fees of Changtai Plaza based on actual conditions.

Party B shall remit the deposit for the property management fee and the monthly property management fee to Party A's account below (**or another account designated by Party A**) within the time limit specified herein and provide a proof of payment by fax or any other means acceptable to Party A on the date of payment:

RMB Account:

Account Name: Shanghai Changtai Business Management Co., Ltd.

Bank: China Minsheng Bank Shanghai Caohejing Sub-branch

Account Number: 694622009

4.3. Electricity Bill. Party B shall pay electricity bill and other utilities and corresponding energy service fee according to the actual consumption of electricity showed in the separately installed electricity meter.

4.4. Overtime air-conditioning fee.

4.4.1. The "non-business hours" referred to in Article 5.2 of this Contract shall mean any time except 8:30 AM - 7:00 PM Monday to Friday and 8:30AM – 13:00PM Saturday, and Sundays, statutory holidays and any other breaks as the government advises business enterprises and public institutions to implement. If Party B requests the air-conditioning service during non-business hours, it shall submit a written request to Party A or the property manager at least one business day in advance and shall pay the fees for the period supplying the air-conditioning service as requested. The overtime air-conditioning fee shall be paid together with the property management fee for the next month. Refer to the property management service manual for the rate of air-conditioning service during non-business hours, which should be RMB380.00/hours/floor.

4.5. The costs of energies (including electricity, air-conditioning fee and energy service fee, etc.) actually consumed by Party B shall be borne by Party B. Such costs shall be calculated and allocated as follows:

4.5.1. For the costs not measured by separate meters and other unforeseen expenses, they shall be determined by Party A or its designated property manager with a reasonable method, such as leased area, office hours, or overtime work hours.

4.5.2. Other fees and charges assessed by the laws and government regulations on the use of the Premises shall be paid according to the laws or regulations.

4.6. Party B hereby confirms that, if it fails to pay any other amount due and payable hereunder as scheduled, Party A and the property manager shall have the right to recover Party B from the delinquent amount and charge a late fee (according to Article 9.2 of these Supplementary Provisions) against Party B.

5. Supplementary Provisions or Amendment to Article 5 "Use Requirements and Maintenance Responsibilities" of This Contract

5.1. Party A's responsibility for maintenance of the Premises is limited to the main structural part of the Premises, public areas and public facilities, and the fixtures in the Premises provided by Party A that have not been modified or added by Party B. For the avoidance of doubt, unless otherwise stipulated in this Contract, during the Lease Term, Party B's responsibility for maintenance and replacement includes but is not limited to the following:

(i) The fixtures and equipment (including but not limited to air-conditioning system, power expansion equipment, fire alarm device and sprinkler system) in the Premises provided by Party A and modified by Party B;

(ii) The consumables provided by Party A;

(iii) The facilities furnished by Party B.

The "fixtures" referred to herein shall mean the fixtures listed in Appendix C attached to this Contract.

If Party B becomes aware that there is any damage to or failure in the fittings, facilities or equipment in the Premises and listed in Appendix C attached hereto, it shall promptly give a notice requesting Party A or the property manager to repair, and shall not repair it by itself without prior authorization (provided that, in some urgent cases, Party B may make certain necessary interim repair to the extent that such repair is for the purpose of mitigating immediate damages or risks to any property or employee of Party B). Party B shall be liable for any damages, personal injury and property losses resulting from any repair and maintenance conducted by Party B or its employees or agents on any damage to or failure in the Premises or any fittings, facilities or equipment listed in Appendix C attached hereto. If it is impossible for Party A or the property manager to make repair within 24 hours upon receiving the notice from Party B, due to the special nature of the damage or failure, additional time shall be granted to Party A or the property manager necessary for making or completing the repair.

5.2. Entry inspection (supplementing Article 6.3 of this Contract). If Party A or the property manager hired by Party A has to enter the Premises for maintenance, environmental sanitation, anti-theft, fire prevention, disaster prevention, rescue or other management purposes of the Building, Party A shall notify Party B in writing at least 24 hours in advance, except in the event of any emergency, in which case, Party A shall notify Party B promptly afterwards (for emergency arrangement, refer to Article 11.1 of these Supplementary Provisions).

5.3. All costs and expenses incurred from the matters mentioned in Article 6.4 of this Contract shall be borne by Party B, but Party A shall give necessary assistance to Party B in obtaining relevant approvals. The equipment and facilities added by Party B shall remain the property of Party B, and Party A is not responsible for maintenance of such equipment and facilities. Upon request of Party B, Party A shall assist Party B in repair, and the reasonable costs for such repair shall be borne by Party B. In this case, Party B shall cooperate with and support Party A's operations.

All costs and expenses incurred from the decoration, fixtures or equipment added by Party B, including but not limited to costs of fit-out, addition and modification, costs of equipment and materials, as well as all taxes and government charges incurred therefrom, shall be solely borne by Party B.

5.4. Civilized Construction. In view of the different move-in date of the tenants, in order to ensure the normal business environment of the tenants who move into the Building before Party B, Party B shall carry out decoration works during the decoration hours specified by Party A and in the manner of civilized construction. Party B shall not pile up construction materials or tools on the public passage or any place outside the Premises. If Party B violates this provision, it shall indemnify Party A or other tenants against all losses and damages resulting therefrom.

5.5. Liabilities for the acts of third parties. If any sub-tenant, sub-lessee, employee, worker, customer, visitor, servant, agent or licensee of Party B, or any person permitted by Party B explicitly or impliedly to use or occupy the Premises commits any breach of contract, negligence or default, it shall be deemed as Party B's breach, negligence or default and Party B shall be liable for it. For the avoidance of doubt, Party B shall indemnify Party A against and hold Party A harmless from any personal injury or property loss or damage to Party A and/or the property manager or any other person directly or indirectly caused by any of the following accidents resulting from any fault of Party B:

(i) Failure or improper maintenance in any appliance, electric device or electric cable in the Premises;

(ii) Blockage or damage to any water pipe or water closet in the Premises (if any);

(iii) Spreading of fire or smoke in the Premises;

(iv) Damage to any public area in the Building by Party B.

5.6. Party A is not liable for any damage of Party B caused by any of the following events when Party B is using the Premises during the Lease Term:

5.6.1. Natural disaster or any other force majeure;

5.6.2. Damage caused by pest, theft, robbery or any other criminal offense;

5.6.3. Any disaster not caused by Party A's willful misconduct or negligence;

5.6.4. Interruption in supply of water, electricity or gas caused by the normal maintenance or first-aid repair of the Building or adjacent unit;

5.6.5. Any damage caused by any other tenant;

5.7. Engineering and Fit-out Works:

When carrying the decoration or fit-out works, Party B shall comply with this Contract, the tenant decoration guidelines and the tenant manual and other regulations and rules regarding decoration or fit-out developed and/or amended by Party A and/or the property manager from time to time.

If Party B violates this Contract, the tenant decoration guidelines and the tenant manual and other regulations and rules regarding decoration or fit-out developed and/or amended by Party A and/or the property manager from time to time, it shall be liable for all consequences arising therefrom, including but not limited to the costs and expenses of removal, addition and modification required by the government authorities. In addition, Party B shall indemnify Party A against all losses, claims, expenses and actions resulting from Party B's violation of this provision. If Party B fails to do so, Party A shall have the right to deduct and collect such costs and expenses from the Deposit, and recover the deficiency (if any) from Party B.

5.8. If any government authority imposes any rectification requirement on the decorations performed or completed by Party A according to Party B's requirements or the decorations performed or completed by Party B in the Premises (including but not limited to firefighting facilities) at any time during the Lease Term, Party B shall make correction as required by the government authority. All liabilities and costs incurred from such correction shall be solely borne by Party B, including but not limited to any liabilities and costs caused from its influence on the tenants of adjacent units. Party A is not liable for such liabilities and costs.

5.9. Partition and Decoration. If Party B needs to partition and decorate the Premises, it shall provide Party A with a copy of the design and construction drawings 14 days before construction. If Party A has reviewed and approved it, Party B shall sign a decoration commitment letter to Party A.

5.10. Party B shall strictly comply with the Decoration Code and the User Manual.

6. Supplementary Provisions or Amendment to Article 7 "Conditions of Returned Premises" of This Contract

6.1. Party B shall return the Premises to Party A no later than 5:30 PM on the date of termination of this Contract. If Party B fails to return the Premises within the time limit without Party A's prior written consent, from the day next to the date of termination of this Contract to the date of actual return of the Premises, Party B shall pay Party A the occupancy fee at two times of the Daily Rent specified in Article 3.1.1, the property management fee and other fees due and payable by Party B for the use of the Premises. If Party B's delay to vacate the Premises causes other damages to Party A, Party B shall also indemnify Party A against such damages. However, payment of the occupancy fee, property management fee and damages shall not be construed as renewal or continuation of the lease.

6.2. Upon expiration of the Lease Term or early termination of this Contract, Party B shall immediately restore the Premises and all fixtures, fittings and equipment in the Premises to the original conditions according to the standards of Chamtime Plaza, and after it is inspected and confirmed by Party A (but Party A shall not unreasonably withhold or delay the inspection and confirmation), Party B shall return the Premises in good and leaseable conditions (other than normal wear and tear) to Party A. Both Parties may also agree to keep any interior decoration, fit-out or fitting in the Premises, but Party A shall not be required to make any compensation to Party B. Party B undertakes that, regardless of the termination of this Contract due to whatever reason, Party B will not claim any compensation against Party A, including the compensation for any decoration or fit-out in the Premises or any facility added by Party B after the Premises are handed over to Party B.

6.3. If Party B fails to return the Premises to Party A upon expiration of the Lease Term or early termination of this Contract, in addition to receiving from Party B, from the date next to the date of termination of this Contract and on a daily basis, the occupancy fee (at two times of the Daily Rent specified in Article 3.1.1), the property management fee (on a daily basis at the rate of the then daily property management fee) and other fees, Party A shall also have the right to open the locks of the Premises and replace the locks and keys of the Premises three (3) days after expiration or early termination (as the case may be) of this Contract at the presence of Chinese notary public or Chinese lawyer as witness, and remove all items out of the Premises, including but not limited to furniture, fixtures and other additions, and vacate and repossess the Premises. The costs of removal, notarization fee or attorney's fee shall be solely borne by Party B. Party A is not liable for any damages or Party B's losses resulting therefrom. For the items left by Party B in the Premises, Party A shall have the right to charge a storage fee against Party B, and shall also have the right to, by the means it considers appropriate, sell, transfer, discard or otherwise dispose of such items and use the proceeds therefrom (if any) to offset any amounts owed by Party B to Party A and indemnify Party A against all damages actually incurred or to be incurred from such event. However, at no events Party A shall pay any amount or make compensation to Party B for such items.

6.4. If Party B fails to return the Premises in accordance with the provisions of this Contract, Party A shall have the right to take all necessary actions to make the return of the Premises comply with the provisions of this Contract or the applicable laws and regulations at the costs of Party B. In addition, Party B shall pay the occupancy fee, property management fees and other fees in accordance with Article 6.3 hereof to Party A according to the days that Party A spends to make the return of the Premises comply with the provisions of this Contract and the applicable laws and regulations. If Party B fails to return the Premises in accordance with the provisions of this Contract and causes other damages to Party A (including but not limited to Party A's acquirable interests of leasing the Premises to any third party, and the liquidated damages paid by Party A under any other lease contract arising from delay to hand over the Premises to another tenant due to the delay in return hereunder), Party B shall also indemnify Party A against such damages.

6.5. If Party B uses the address of the Premises as the registered address of Party B's for the corporation registration or other relevant licenses, approvals or permits, Party B shall provide the proof showing that the registered address has been changed to another address when Party B returns the Premises. If Party B fails to comply with the provisions above, Party A has the right to temporarily retain Party B's Deposit until the change registration of Party B's registered address has been completed. If Party A has refunded the Deposit and then finds that Party B failed to actually handle or complete the cancel or change the registration in which the address of the Premises is used as the registered address or business address, it shall be deemed as Party B's breach, and Party A has the right to charge liquidated damages against Party B equal to the sum of monthly rents for two months.

7. Supplementary Provisions or Amendment to Article 8 "Sublease, Assignment and Exchange" of This Contract

7.1. Sublease.

7.1.1. Without the written consent of Party A, Party B shall not transfer, sublease or otherwise leave the possession of the Premises or any part thereof, whether by subletting, permitting, lending, sharing or any other way, resulting any third party to obtain the use or possession of the Premises or any part thereof, regardless of whether such use or possession is paid rent or other forms of consideration. If Party B violates this provision, Party A shall have the right to intermediately terminate this Contract, repossess the Premises and hold Party B responsible for the breach.

7.1.2. If Party B obtains Party A's written consent to sublease/subletting, Party B shall procure its sub-tenant/sub-lessee to comply with this Contract and the rules and regulations established by Party A, and be jointly and severally liable for the obligations of the sub-tenant/sub-lessee under this Contract and the sublease/subletting contract.

7.1.3. In case of subleasing/subletting the Premises with Party A's written consent, the sublease/subletting contract shall meet the following requirements:

7.1.3.1. The expiry date of the sublease/subletting contract shall not be later than the expiry date of this Contract; otherwise, the excessive period shall be invalid, and Party A shall have the right to repossess the Premises from Party B and/or its sub-lessee upon expiration of the Lease Term of this Contract.

7.1.3.2. During the sublease/subletting term, in addition to the rights and obligations under the sublease/subletting contract, Party B shall continue performing its obligations under this Contract and shall be jointly and severally liable for the obligations of the sub-tenant/sub-lessee.

7.1.3.3. During the sublease/subletting term, the sublease/subletting contract shall be modified, terminated or expired accordingly upon modification, termination or expiration of this Contract.

8. Supplementary Provisions or Amendment to Article 9 "Conditions for Termination" of This Contract

8.1. The Parties agree to amend Article 9.2 of this Contract as follows:

Both Parties agree that the non-breaching Party may terminate this Contract by giving a written notice to the breaching Party upon occurrence of any of the following circumstances. In addition to requesting the breaching party to pay the liquidated damages, the non-breaching Party reserves the right to claim damages against the breaching Party for the losses suffered by the non-breaching Party as a result of such early off-lease by the breaching Party. The liquidated damages shall be equal to the sum of the Deposit plus 50% of the rent during the period from the date of the lease termination by the breaching Party and the expiry date of the Lease Term.

8.2. Both Parties agree to add the following provisions after Article 9.2.6 of this Contract:

8.2.1. Party B fails to pay the Deposit and/or defaults any amount due and payable under Article 5.2 of this Contract for more than one month;

8.2.2. Party B changes the structure of the Premises without Party A's written consent;

8.2.3. Party B uses the Premises for any illegal purpose;

8.2.4. Party B hinders or endangers any other tenant in the Building and fails to make effective remedy;

8.2.5. Either Party breaches any provision of this Contract and fails to make remedy within the time period specified in the written notice of the non-breaching Party or in this Contract, whichever is longer;

8.2.6. Party B damages any public facility in the Building or damages the overall image of the Building, and refuses to make compensation;

8.2.7. Party B is voluntarily or involuntarily bankrupt, or any person applies to the court for liquidation of Party B and the court has accepted such application for bankruptcy and liquidation of Party B, other than liquidation for the purpose of reorganization or merger and with the written consent of Party A;

8.2.8. Any other circumstances caused by either Party and thereby the other Party may early terminate this Contract in accordance with the laws and regulations;

8.2.9. Failure to complete the delivery procedures within seven days after the Handover Date defined in Article 1.1 of these Supplementary Provisions above due to the reason of Party B.

8.3. Both Parties agree that the damage, loss of or hazard to the Premises as mentioned in Article 9.1.4 of this Contract refers to any damage, loss of or hazard to the Premises not caused by Party B or its employees, agents, or visitors/customers. If the damage to or hazard on the Premises can be eliminated within 14 days upon occurrence or identification of such damage or hazard, and the reasonable business operation in the Premises and the services provided in the Building for the Premises can be reinstated within 14 days upon occurrence or identification of such damage or hazard, this Contract shall not be terminated; provided, however, Party B is not required to pay the rent during the period under such influence.

8.4. Upon occurrence of the following event after the effective date of this Contract, Party B shall have the right to terminate this Contract on the date specified in the written notice sent to Party A. Party A shall refund the Deposit in full upon receiving the notice from Party B, and Party B shall not be liable for any compensation to Party A:

8.4.1. The Premises cannot be used and leased for the intended purpose within the time period reasonably required by Party B, not due to Party B's willful misconduct or gross negligence (i.e. any event of force majeure).

9. Supplementary Provisions or Amendment to Article 10 "Liabilities for Breach of Contract" of This Contract

9.1. During the Lease Term, either Party shall not terminate this Contract without reasonable cause. If either Party unreasonably terminates this Contract during the Lease Term, it shall be deemed as a material breach by the breaching Party. In this case, the liquidated damages shall be equal to the sum of the Deposit plus 50% of the rent during the period from the date of the lease termination by the breaching Party and the expiry date of the Lease Term. In addition, the non-breaching Party reserves the right to claim damages against the breaching Party for the termination of this Contract.

9.2. If Party B is late to pay any amount due and payable under this Contract (including but not limited to rent, Deposit, property management fee, other costs or liquidated damages, or damages), Party B shall pay a late fee to Party A at 0.05% of the defaulted amount on a daily basis. If Party B's delay in payment exceeds **30** days, Party A may cut off the supply of water, electricity and any other utilities, or obstruct Party B from further using the Premises, and all consequences arising therefrom shall be solely borne by Party B. However, if Party A unreasonably stops the supply of water, electricity or any other utilities or obstructs Party B from using the Premises, all consequences arising therefrom shall be borne by Party A.

9.3. Party B's special obligations:

9.3.1. Except for the designation and nameplate uniformly designed and provided by Party A or the property manager, Party B shall not install or display any advertisements, light boxes, bulletin boards, signs, decorations, flags, posters or other materials in the Premises facing outside the Premises, or outside the Premises, or on any place in any area visible outside the Building, or any public part or the Premises. If Party B violates the provisions above, Party A and/or the property manager shall have the right to remove such installed or displayed advertisements, light boxes, bulletin boards, signs, decorations, flags, posters or other materials, and all costs incurred therefrom shall be borne by Party B.

9.3.2. In the Premises, Party B shall not engage in or permit or acquiesce any illegal or immoral activities, or religious activities or other activities that Party A deems inappropriate, or activities that are unwelcome to other tenants or others, or activities that interfere with or would interfere with other tenants or others' normal use and access to the common parts of the Building or other premises in the Building.

9.3.3. Unless otherwise agreed by Party A in writing, Party B may only use the name of the Building in its business address, and may not use the name or mark of the Building in its business or in any other way.

10. Supplementary Provisions or Amendment to Article 11 "Miscellaneous" of This Contract

10.1. Article 11.2 of this Contract shall be amended as follows:

The Chinese execution version of this Contract shall prevail. This Contract, together with its appendices attached hereto, shall be made and executed in five counterparts. Party A and Party B shall keep two counterparts respectively, and the rest will be temporarily kept by Party A for the filing of the lease. Upon termination of this Contract (including early termination or expiration of the Lease Term, etc.), Party A may apply for cancellation of the filing of this Lease Contract.

10.2. Party B shall provide Party A with copies of the following documents (and check with the originals thereof for accuracy) on or before the date when this Contract is signed:

10.2.1. Its company registration certificate and other incorporation approval documents.

10.2.2. Its business registration certificate/business license.

10.2.3. Other company documents related to the use of the company seal or the authorization of the signatory of this Contract.

10.2.4. THE ID card or passport (photocopy) of the authorized signatory of this Contract.

10.3. Both Parties agree that if these Supplementary Provisions conflict or are inconsistent with this Contract, the Supplementary Provisions shall prevail.

10.4. The attorney's fees of each Party related to this Contract shall be borne by each Party respectively. The stamp duty imposed on this Contract and the pre-lease/lease filing fee with respect to this Contract charged by the competent real property administration authority shall be borne by each Party respectively according to the applicable regulations.

11. Excess to the Premises

11.1. Party A and the property manager and their respective employees may, by giving a prior notice to Party B, access the Premises to conduct inspection or take appropriate actions for the purpose of maintenance, repair, sanitation, security, firefighting or person rescue of or in the Premises. Party A and the property manager and their respective employees shall use best efforts to give a notice to Party B at least one (1) day in advance, and shall take actions to minimize adverse effect on Party B's operations in the Premises. In the event of any emergency whereby it is impossible to give a prior notice to Party B, Party A and the property manager and their respective employees may access the Premises to conduct inspection and taking necessary actions without prior approval of Party B, but shall contact with Party B promptly thereafter.

11.2. Party A may lead potential assignee, new tenant or any other person interested, accompanied by Party B's persons, to visit the Premises at any reasonable time within six (6) months prior to the expiration of the Lease Term, by giving a notice to Party B at least one day in advance; provided, however, Party A shall minimize the adverse effect of such activities upon Party B's operations in the Premises.

11.3. Where Party A accesses the Premises in accordance this provision, Party B shall provide reasonable assistance to Party A.

12. Parking Space

12.1. If Party B rents any parking spaces during the Lease Term subject to the availability of the parking spaces. The rent for underground unfixed parking spaces is RMB [750.00] per month per parking space.

12.2. Party A reserves the right to adjust the rate of the rent of parking spaces at Chamtime Plaza according to the actual conditions.

13. Other Matters

13.1. Party A shall keep the facilities and equipment of Chamtime Plaza (including but not limited to air-conditioning system, water supply system, drainage system, lighting equipment, wire and cable facilities) in good conditions (except for normal wear and tear).

13.2. Balcony on the same floor: Party B confirms that the Premises do not include the balcony on the same floor of the Premises, and Party B shall cooperate with the property manager of the Building in the daily cleaning, maintenance and repair of the balcony. If Party B intends to use such balcony, both Parties will negotiate and enter into a contract separately. If Party A uses the balcony on the same floor of the Premises, it will coordinate with Party B in advance and will not affect Party B's normal office operations.

14. Insurances

14.1. Party A will purchase insurances only for the risks of the Premises and name the owner of the Premises as the beneficiary in such insurances. In event of any insured event, all insurance benefits paid by the insurer shall belong to Party A or the owner of the Premises. Neither any property losses caused to Party B nor any personal injuries caused to Party B's staff as a result of such insured events shall entitle Party B to request to share any of such insurance benefits. Party B may, at its own costs, apply for property insurance for the properties or other items in the Premises, as well as employee health insurance and third party liability insurance.

14.2. Party B shall not engage in and permit other parties to engage in any activity which may cause the insurances for the Premises to become invalid in whole or in part, or cause increase of insurance premium. If Party A is required to reinsure or its insurance premiums is increased due to Party B's violation of the provisions of this Contract, Party B shall reimburse Party A for its reasonable costs.

15. Waiver, Partial Validity and Nonexclusive Remedy

15.1. Where Party A knows that Party B has breached this Contract and accepts the rent, it shall not be deemed as Party A's waiver in respect of Party B's breach. If Party A desires to waive any right under this Contract, such waiver shall be evidenced by written signature of Party A. In the event that the rent or any other amount paid by Party B is not sufficient, even if Party A has received such insufficient payment made by Party B, it will not affect the Party A's right to recover the insufficient amount of the rent or any delinquent amount from Party B, nor it will affect the Party A's right to take other actions in accordance with this Contract or the laws.

15.2. If any provision of this Contract is held invalid, illegal, the invalidity or illegality of such provision will not affect the validity and legality of other provisions of this Contract.

15.3. The rights and remedies of the Parties hereunder will not exclude or replace their respective rights and remedies under any applicable laws. If either Party breaches this Contract, the other Party may exercise or resort to any and all rights and remedies under this Contract and/or under all applicable laws, till all losses and damages of the other Party are fully compensated.

15.4. Party B hereby agrees and acknowledges that, unless otherwise stipulated herein, Party B does not have any priority to lease or any similar right to the Premises (including priority to lease the Premises or any part thereof, or any other leaseable unit in the Building). Except as otherwise stipulated herein, if any laws or regulations give Party B any other priority or any priority to lease or any similar right to the Premises (including the priority to lease the Premises or any part thereof, or any other leaseable unit in the Building), Party B hereby expressly waives such priority, any priority to lease and similar rights.

The Parties hereby expressly agree that Party A may, with its own discretion, sell or mortgage the Premises during the term of this Contract, and may with its own discretion sell or otherwise dispose of the Premises at the price agreed upon with the mortgagee, without prior notice to or consultation with Party B. Party B hereby expressly agrees that it irrevocably and unconditionally waives its right to receive any notice and its right of first refusal to Party A's mortgage and otherwise disposal of the Premises according to the provision above.

15.5. Party A shall have the right to sell, rent, lease, transfer, divide, use or dispose of the Building or any part thereof in any way, or to set up mortgage or encumbrance (including naming right) on the Building or any part thereof, and shall have the right to assign its rights and interests under this Contract (including but not limited to assignment of the Deposit for the Premises) without Party B's consent, to allow any person other than a party to this Contract to use or occupy the Building or any part thereof or assume or enjoy any and all rights and interests of Party A under this Contract. Party B shall not raise any objection to Party A's above-mentioned actions, or bring a lawsuit against Party A for any breach of this Contract by the new owner for any compensation (including claim for the Deposit), provided that the new owner has acknowledged and recognized the rights of Party B under this Contract. In addition, Party A has the exclusive right to change the name of the Building at any time.

16. Matters Not Covered

16.1. Any matters not covered in this Contract may be determined by the Parties in a supplementary agreement through friendly negotiation.

17. Notice

All notices and other communications required hereunder shall be in writing and sent to the following address or fax number by mail or fax:

Party A:	Shanghai Changtai Business Management Co., Ltd.	Party B:	Shanghai ShouTi Biotechnology Co., Ltd.
Attention:	Wu Liqun	Attention:	Song Qizhong
Address:	No. 369 Chuanqiao Road, Pudong New Area, Shanghai	Address:	Room 803, Building C, Lane 2889, Jinke Rd, Pudong New Area, Shanghai
Zip Code:	201206	Zip Code:	201203
Fax:	[***]	Fax:	

The delivery date of any such notice shall be determined according to following principles:

(i) Courier's service, express delivery or expedited delivery: on the day of delivery;

(ii) Mail: the 12th day after it is sent by air registered mail;

(iii) Fax: the 1st business day after it is transmitted.

During the term of this Contract, if either Party changes its mailing address, it shall promptly give a written notice to the other Party.

18. Undertakings

18.1. Before signing this Contract, Party B has carefully read and understood the relevant documents provided by Party A to Party B relating to the Premises for signing this Contract, i.e. Appendix A: Floor Plan of the Premises; Appendix C: Status of Existing Decorations, Fixtures and Equipment, and Agreement Regarding the Decorations and Fixtures to be added by Party B with the Consent of Party A; the Memorandum. Party B also undertakes that it will comply with all provisions of these documents.

19. Others

19.1. Subject to the property management rules and regulations, Party B have the right to access the Premises 24 hours a day, 365 days a year.

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Appendix A

Layout Plan of the Premises (for informational purpose only)

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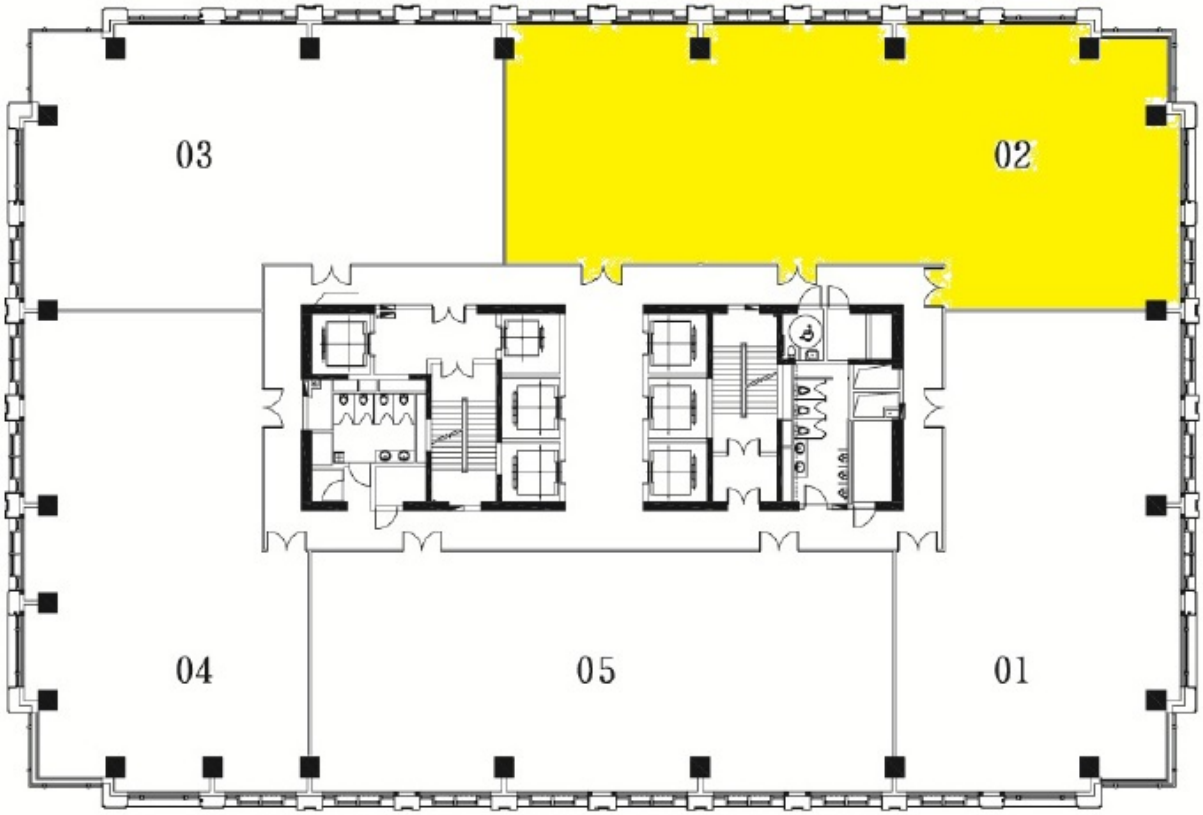

Appendix B

Usage Scope, Conditions and Requirements for Use of the Shared or Common Parts of the Premises

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Appendix C

Status of Existing Decorations, Fixtures and Equipment, and

Agreement Regarding the Decorations and Fixtures to be added by Party B with the Consent of Party A

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Handover Standards

1) Party A shall provide and install the mineral wool board ceiling required for the ceiling of the 5th floor of Block A, keel and lamps (grid fluorescent lamp), lattice raised floor, central air-conditioning system, fire-fighting system, smoke detector and spray. Party B shall bear the cost for the transformation of ceiling and electromechanical systems (including: strong and weak current systems, air conditioning and drainage systems, fire protection systems, etc.)

2) All latex painted walls (white) (except for the elevator hall and the glass curtain wall).

3) Party A will provide electric curtains.

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Landlord (Party A):	Tenant (Party B):
Shanghai Changtai Business Management Co., Ltd.	**Shanghai ShouTi Biotechnology Co., Ltd.**
Nationality:	Nationality: US
Legal Representative:	Legal Representative:
Registration Certificate/ID Card No.:	Registration Certificate/ID Card No.:
Address:	Address:
Zip Code:	Zip Code: 201203
Tel.:	Tel.:
Authorized Representative:	Authorized Representative:
Signature and/or Seal: /s/ Shanghai Changtai Business Management Co., Ltd.	Signature and/or Seal: /s/ Raymond Stevens
Date of Signature: 6/22/2021	Date of Signature: 6/22/2021
Signed at:	Signed at:

Exhibit 21.1

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Annapurna Bio Pty Limited	Australia
Annapurna Bio, Inc.	Delaware
Basecamp Bio Hong Kong Limited	Hong Kong
Basecamp Bio Inc.	Cayman Islands
Basecamp Bio USA Inc.	Delaware
Gasherbrum Bio, Inc.	Delaware
Lhotse Bio, Inc.	Delaware
Shanghai Basecamp Biotechnology Co., Ltd. (上海倍勘生物技术有限公司)	People's Republic of China
Shanghai ShouTi Biotechnology Co., Ltd. (上海硕迪生物技术有限公司)	People's Republic of China
ShouTi Hong Kong Limited	Hong Kong
ShouTi Inc.	Delaware